

SECOND AMENDED PAGA SETTLEMENT AGREEMENT

This Amended PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Phillip R. Zerega First and Edward Ayres (“Plaintiffs”) and Defendant PSTB, LLC (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1 **DEFINITIONS.**

- 1.1 “Action” or “Operative Complaint” means the Plaintiffs’ PAGA lawsuit alleging wage and hour violations against Defendant captioned *Phillip R. Zerega First v. PSTB, LLC*, initiated on December 13, 2022, and pending in Superior Court of the State of California, County of Riverside, Case No. CVRI2205380. The Second Amended Complaint filed on September 10, 2025 is the Operative Complaint in the Action.
- 1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4 “Aggrieved Employee” means all California citizens currently or formerly employed by Defendant as non-exempt employees in the State of California during the PAGA Period.
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.8 “Court” means the Superior Court of California, County of Riverside.
- 1.9 “Defense Counsel” means Beth Kahn, Esq. and Laura Birnbaum, Esq. of Musick, Peeler & Garrett LLP.
- 1.10 “Effective Date” The date on which the Judgment and/or Approval Order become final. For purposes of this Section, the Judgment and/or Approval Order “become final” only after the Court grants the Stipulation or Motion for Final Approval and

upon service of the Notice of Entry of Approval Order and/or Judgment, and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Approval Order and/or Judgment (this time period shall not be less than sixty (60) calendar days after the Court's Approval Order is entered); (ii) the date of affirmance of an appeal of the Approval Order and/or Judgment becomes final under the California Rules of Court; or (iv) the date of final dismissal of any appeal from the Approval Order and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Approval Order and/or Judgment.

- 1.11 "Gross Settlement Amount" means \$365,000.00 which is the total amount Defendant agrees to pay under the Settlement. In addition to the Gross Settlement Amount, Defendant will separately pay Plaintiffs' portion of the mediation fees, which is Ten Thousand Four Hundred Fifty Dollars and Zero Cents (\$10,450.00). The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, payment of Plaintiffs' Representative Service Award, and the Administrator's Expenses Payment.
- 1.12 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13 "Judgment" means the judgment entered by the Court based upon the Court's approval of the settlement.
- 1.14 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.15 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16 "Net Settlement Amount" means the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (subject to Court approval) are subtracted from the Gross Settlement Amount: (a) PAGA Counsel Fees Payment up to one third of the Gross Settlement Amount, currently estimated at \$121,666.66; (b) PAGA Counsel Litigation Expenses Payment of not more than \$30,000.00; (c) Plaintiffs' Representative Service Award of up to \$10,000.00 each; and (d) the Administration Expenses Payment.
- 1.17 "Notice of PAGA Settlement" means the letter, substantially similar to the form attached hereto as Exhibit A, explaining the Settlement to the Aggrieved Employees, which will accompany each settlement check.
- 1.18 "PAGA Counsel" means Samuel A. Wong, Esq., Kashif Haque, Esq. and Jessica L. Campbell, Esq. of Aegis Law Firm, PC, the attorneys currently representing the Plaintiffs in the Action.

- 1.19 “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action. Defendants will not oppose Plaintiffs’ request for attorneys’ fees in the amount of up one third of the Gross Settlement Amount, currently estimated at \$121,666.66, and PAGA Counsel Litigation Expenses Payment of not more than \$30,000.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. The Administrator will report these payments on IRS Form 1099 issued to PAGA Counsel.
- 1.20 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.21 “PAGA Period” means the period from December 13, 2021 to December 18, 2024.
- 1.22 “PAGA” means the Private Attorneys General Act of 2004 (Labor Code §§ 2698. et seq.).
- 1.23 “PAGA Notices” means Plaintiff Philip Zerega's December 13, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, sub. (a) and Plaintiffs’ June 7, 2023 amended letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.24 “PAGA Penalties” means the Net Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.25 “Plaintiffs” means Phillip R. Zerega First and Edward Ayers, the named Plaintiffs in the Action.
- 1.26 “Released PAGA Claims” means the claims being released by Plaintiffs, Aggrieved Employees, and PAGA Counsel and as described in Paragraph 5 below.
- 1.27 “Released Parties” means: Defendant and their officers, directors, employees, insurers, attorneys, franchisors and agents.
- 1.28 “Representative” means the named Plaintiffs in the Action seeking Court approval to serve as a Representative of the State of California, on behalf of all allegedly Aggrieved Employees
- 1.29 “Representative Service Award” means the payment to the Representative for initiating the Action and providing services in support of the Action.
- 1.30 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.31 "Defendant" means named Defendant PSTB, LLC, together with its officers, directors, employees and agents.

2 RECITALS.

- 2.1 On December 13, 2022, Plaintiff Phillip R. Zerega First commenced this Action by filing a Complaint alleging various wage and hour violations against Defendant PSTB, LLC. On May 1, 2023 Plaintiff filed a First Amended Complaint pursuant to the Private Attorneys General Act, Cal. Labor Code §§ 2698 et seq. (“PAGA”) for PSTB, LLC’s alleged violations of California employment law; including, but not limited to, failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized wage statements, failure to pay wages timely during employment, failure to pay all wages due upon separation of employment, waiting time, violation of Business and Professions Code §§ 17200, *et seq.*, and penalties pursuant to the Private Attorneys General Act of 2004. On September 10, 2025 Plaintiffs filed a Second Amended Complaint adding Plaintiff Edward Ayres to the Action. The Second Amended Complaint is the operative complaint in the Action. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to the LWDA by sending the PAGA Notices.
- 2.3 On December 18, 2024, the Parties participated in a mediation with Eve Wagner, Esq., which led to this Agreement to settle the Action.
- 2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, a 20% sampling of employees’ time and wage records, the number of Aggrieved Employees and applicable pay periods.
- 2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3 MONETARY TERMS.

- 3.1 Gross Settlement Amount. Defendant promises to pay \$365,000.00 and no more, except as provided in Paragraph 8, as the Gross Settlement Amount. In addition to the Gross Settlement Amount, Defendant will separately pay Plaintiffs’ portion of the mediation fees, which is Ten Thousand Four Hundred Fifty Dollars and Zero Cents (\$10,450.00). Defendant must pay the Gross Settlement Amount by the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

- 3.2.1 To Plaintiffs: Representative Service Award to the Plaintiffs serving as Representatives of not more than \$10,000.00 each (in addition to any Individual PAGA Payment the Class Representatives are entitled to receive). Defendant will not oppose Plaintiffs' request for a Representative Service Award that does not exceed the amount of \$20,000.00. As part of the motion for PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval for any Representative Service Award no later than 16 court days prior to the Approval Hearing or other deadline set by the Court. If the Court approves a Representative Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Representative Service Award using IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed on the Representative Service Award.
- 3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one third of the Gross Settlement Amount which is currently estimated to be \$121,166.66 and PAGA Counsel Litigation Expenses Payment of not more than \$30,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file a stipulation or motion for PAGA Approval, including for approval of Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$7,350.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$7,350.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To the LWDA and Aggrieved Employees: The Net Settlement Amount, the PAGA Penalties, will be distributed 75% to the LWDA PAGA Payment and 25% to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS I099 Forms.

4 SETTLEMENT FUNDING AND PAYMENTS.

- 4.1 Aggrieved Employee Pay Periods. Based on a review of its records at the time of mediation, Defendant estimates there were approximately 16,000 PAGA Pay Periods.
- 4.2 Aggrieved Employee Data. Within 30 calendar days after the Court grants Approval of the PAGA Settlement, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. The Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator in two equal payments in accordance with the following payment schedule: (i) \$182,500.00 not later than sixty (60) days after the Effective date; and (ii) \$182,500.00 not later than three (3) months after the initial funding date.
- 4.4 Payments from the Gross Settlement Amount. Within 14 business days after Defendant completes funding of the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Expenses Payment, and Plaintiffs' Representative Service Award. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel

Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The distribution of Individual PAGA Payments shall be accompanied by the Notice of PAGA Settlement

4.4.3 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.5 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5 RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs will release claims against all Released Parties as follows:

5.1 Released PAGA Claims:

Upon full funding of the Gross PAGA Settlement Amount, the Released Parties shall be entitled to a release from Plaintiffs, as Representatives of the State of California, for all "Released PAGA Claims." "Released PAGA Claims" means all claims for PAGA penalties for the violations that were alleged in the Operative Complaint and the PAGA Notices that occurred during the PAGA Period, including for failure to

pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized wage statements, failure to pay wages timely during employment, failure to pay all wages due upon separation of employment, waiting time, Labor Code sections 201, 202, 203, 204, 210, 226, 226 (b), 226.3, 226.7, 432, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2698, 2699 *et seq.*, 2699.3, 2800, 2802, Code of Civil Procedure section 1021.5, , the applicable Industrial Welfare Commission Orders, California Code of Regulations, Title 8, sections 11040, 11050 and 1070, and all other claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiffs' pre-filing letters to the LWDA. The Released PAGA Claims do not release any Aggrieved Employees' individual claims for wages or any claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security and workers' compensation. Plaintiffs as Representatives and Defendant agree and acknowledge that, to the maximum extent permitted by law, the Judgment entered pursuant to this settlement will bind all those who would be bound by a judgment if the Action had been brought by the State of California.

5.2 Plaintiffs' Released Claims:

Upon full funding of their Representative Service Awards, Plaintiffs, in their individual capacity, release and discharge the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and/or the PAGA Notices submitted by Plaintiffs to the LWDA, which occurred during the PAGA Period, including failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized wage statements, failure to pay wages timely during employment, failure to pay all wages due upon separation of employment, waiting time, and penalties pursuant to the Private Attorneys General Act of 2004, Labor Code sections 201, 202, 203, 204, 210, 226, 226(b), 226.3, 226.7, 432, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2698, 2699 *et seq.*, 2699.3, 2800, 2802, Code of Civil Procedure section 1021.5, Business and Professions Code section 17200, *et seq.*, the applicable Industrial Welfare Commission Orders, California Code of Regulations, Title 8, sections 11040, 11050 and 1070, and all other claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiffs' pre-filing letters to the LWDA ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, claims that cannot be released as a matter of law. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain

effective in all respects, notwithstanding such different or additional facts or Plaintiffs discovery of them.

Plaintiffs' Released Claims include all claims, whether known or unknown. Even if Plaintiffs discover facts in addition to or different from those that Plaintiffs now know or believe to be true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain released and forever barred. Thus, Plaintiffs expressly waive and relinquish the provisions, rights and benefits of section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

5.3 Release of Attorneys' Fees:

Plaintiffs individually and as Representatives release on behalf of themselves and their respective present and former representatives, attorneys, heirs, administrators, employees, agents, successors and assigns, the Released Parties from all claims for the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment incurred in connection with or any way related to, the Action, the PAGA Period facts stated in the Action, and the PAGA Notices, except for the right to enforce the provisions of settlement providing for the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment.

6 **MOTION OR STIPULATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel a stipulation or motion for approval of PAGA Settlement, including all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the

Administrator. In their Declarations, Plaintiffs and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel are jointly responsible for finalizing and filing the stipulation or motion for approval of this Settlement and, if necessary, obtaining a hearing date for the stipulation or motion and appearing in Court to advocate in favor of the stipulation or motion. Defense Counsel are provided the opportunity to review and make any changes to the stipulation or motion for approval of the settlement. PAGA Counsel is responsible for delivering the Court's Order Granting Approval of PAGA Settlement to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed stipulation or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to try to resolve the disagreement. If the Court does not grant the stipulation or motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will attempt to work together on behalf of the Parties by meeting in person or by telephone, and in good faith, try to modify the Agreement and otherwise satisfy the Court's concerns.

7 SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-l.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8 AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

8.1 The Gross Settlement Amount is based on Defendant's estimate that the Aggrieved Employees worked a total of 16,000 Pay Periods during the PAGA Period. If the actual number of Pay Periods encompassed within the PAGA Period increases by

more than 10%, then Defendant at its exclusive discretion shall either (1) end the PAGA Period on the date on which the total number of PAGA Pay Periods is no more than 17,600, or (2) increase the Gross Settlement Amount by a pro-rata dollar value for the PAGA Pay Periods in excess of the escalation margin. For example, if the number of PAGA Pay Periods increases by 11%, the Gross Settlement Amount will increase by 1%. Under the first option no additional payment is necessary.

9 NULLIFICATION OF AGREEMENT. In the event: (i) the Court does not enter the Approval Order and approve the Released PAGA Claims specified herein; or (ii) the Settlement does not become final for any other reason this Settlement Agreement shall be null and void. A reduction of the attorneys' fees and expenses and the Plaintiffs' Representative Service Award shall not be grounds for nullification of this Settlement. If the Settlement is nullified, any order or judgment entered by the Court in furtherance of this Agreement shall be treated as void from the beginning, and the provisions contained herein shall be of no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees already incurred by the settlement administrator shall be paid equally by both Parties.

10 CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law pursuant to California Code of Civil Procedure section 664.6.

10.1 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and try to obtain approval of the Settlement and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of any payments to PAGA Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11 ADDITIONAL PROVISIONS.

11.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this

Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement or to support a defense of res judicata, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense as to the claims being released in this Amended PAGA Settlement Agreement).

- 11.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 11.3 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 11.4 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 11.5 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 11.6 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 11.7 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.8 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 11.9 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 11.10 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 11.11 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, and upon request of Defendant, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 11.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 11.13 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 11.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Jessica L. Campbell, Esq.
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Laura P. Birnbaum, Esq.

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MUSICK, PEELER & GARRETT LLP

333 South Hope Street, Suite 2900

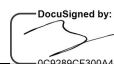
Los Angeles, CA 90071

11.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

The Settlement Agreement consists of 14 pages.

Dated: 10/31/2025 | 3:09 PM PDT

DocuSigned by:

0C0380CF300A431

Plaintiff Phillip R. Zerega First

Dated: _____

Plaintiff Edward Ayers

Dated: _____

for: Defendant PSTB, LLC

Approved as to form:

Dated: _____

Jessica L. Campbell, Esq.
AEGIS LAW FIRM, PC

Dated: _____

Beth Kahn, Esq.
Laura Birnbaum, Esq.
MUSICK, PEELER & GARRETT LLP

To Defendant:

Beth Kahn, Esq.

b.kahn@musickpeeler.com

Laura P. Birnbaum, Esq.

l.birnbaum@musickpeeler.com

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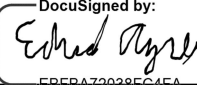
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Dated: _____

Plaintiff Phillip R. Zerega First

Dated: 10/31/2025 | 7:02 PM PDT

DocuSigned by:

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Plaintiff Edward Ayers

Dated: _____

for: Defendant PSTB, LLC

Approved as to form:

Dated: 11/3/2025



Jessica L. Campbell, Esq.
AEGIS LAW FIRM, PC

Dated: _____

Beth Kahn, Esq.
Laura Birnbaum, Esq.
MUSICK, PEELER & GARRETT LLP

To Defendant:

Beth Kahn, Esq.

b.kahn@musickpeeler.com

Laura P. Birnbaum, Esq.

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The Settlement Agreement consists of 14 pages.

Dated: _____

Plaintiff Phillip R. Zerega First

Dated: _____

Plaintiff Edward Ayers

Dated: 10/31/2025

for: Defendant PSTB, LLC

DocuSigned by:
Lee Mitchell
5A5957D70A45466...

Approved as to form:

Dated: _____

Jessica L. Campbell, Esq.
AEGIS LAW FIRM, PC

Dated: 10/31/2025

Beth Kahn, Esq.
Laura Birnbaum, Esq.
MUSICK, PEELER & GARRETT LLP

DocuSigned by:
Beth Kahn
F64E19918130452...