PAGA SETTLEMENT AGREEMENT AND NOTICE TO AGGRIEVED EMPLOYEES

This PAGA Settlement Agreement ("Agreement" or "Settlement") is made by and between Plaintiffs Manuel Salvador Sanchez, Kevin Alvarado, and Adrian Morales (collectively, "Plaintiffs") and Defendant Tom Malloy Corporation DBA Trench Shoring Company ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as a "Party."

1. <u>DEFINITIONS</u>.

1.1. "Actions" means the following lawsuits filed by Plaintiffs against Defendant: (1) *Manuel Salvador Sanchez v. Tom Malloy Corp. et al*., Los Angeles County Superior Court Case No. 25STCV27627; (2) *Kevin Alvarado v. Tom Malloy Corp. et al.,* Los Angeles County Superior Court, Case No. 25STCV23263; and (3) *Adrian Morales v. Tom Malloy Corp. et al.,* San Diego Superior Court, Case No. 25CU042653C.

1.2. "Administrator" means CPT Group, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount not to exceed $15,500, which the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses for administering the settlement.

1.4. "Aggrieved Employee" means all current or former hourly non-exempt employees of Defendant in the State of California at any time 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, collectively, (a) the Superior Court of California, County of Los Angeles, with respect to the actions styled *Manuel Salvador Sanchez v. Tom Malloy Corp*. et al., Los Angeles County Superior Court Case No. 25STCV27627, and *Kevin Alvarado v. Tom Malloy Corp. et al.,* Los Angeles County Superior Court Case No. 25STCV23263; and (b) the Superior Court of California, County of San Diego, with respect to the action styled *Adrian Morales v. Tom Malloy Corp. et al.,* San Diego Superior Court Case No. 25CU042653C.

1.9. "Defendant" means named Defendant Tom Malloy Corporation DBA Trench Shoring

Company.

1.10. “Defense Counsel” means Medina & McKelvey LLP, including Alexander M. Medina, Esq. and Eric M. Lloyd, Esq.

1.11. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.

1.12. “Gross Settlement Amount” means $500,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the Service Payments, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.

1.13. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties, calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.14. “Judgment” means the judgment entered by the Court based upon the Approval Order.

1.15. “LWDA” means the California Labor and Workforce Development Agency.

1.16. “LWDA PAGA Payment” means the 65% portion of the PAGA Penalties which shall be paid to the LWDA under Labor Code section 2699, subd. (m).

1.17. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Service Payments, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is the Net Settlement Amount to be paid to Aggrieved Employees as Individual PAGA Payments and to the LWDA as the LWDA PAGA Payment, which together represent the total amount to be paid towards the resolution of PAGA Penalties.

1.18. “PAGA Counsel” means counsel for Plaintiffs in the Actions, including, collectively: (1) Matern Law Group, PC, including Matthew J. Matern, Julia Z. Wells, and Anahi C. Contreras; (2) Akhavan & Associates, including Bardia A. Akhavan; and (3) Ferraro Vega Employment Lawyers, Inc., including Nicholas J. Ferraro, Lauren N. Vega and Elyssa Martinez.

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 litigation expenses, respectively, incurred to prosecute the Actions.

1.20. “PAGA Pay Periods” means the total number of Pay Periods that an Aggrieved Employee worked for Defendant during the PAGA Period.

1.21. "PAGA Period" means the time period from June 3, 2024 through April 9, 2026.

1.22. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.23. "PAGA Notices" means, collectively, Plaintiffs' letters directed to Defendant and the LWDA providing notice or the alleged Labor Code violations pursuant to Labor Code section 2699.3, subd.(a), and any amendments thereto, including Plaintiff Alvarado's letter dated May 15, 2025, Plaintiff Sanchez's letter dated July 11, 2025, and Plaintiff Morales' letter dated July 29, 2025.

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount. The PAGA Penalties shall be allocated as follows: 35% to the Aggrieved Employees and 65% to the LWDA in settlement of PAGA claims.

1.25. "Plaintiffs" means the named plaintiffs in the Actions, including Plaintiff Manuel Salvador Sanchez, Plaintiff Kevin Alvarado, and Plaintiff Adrian Morales.

1.26. "Released PAGA Claims" means the claims being released by the Aggrieved Employees, as described in Paragraph 5 below.

1.27. "Released Parties" means Defendant and any of its past, present, or future parent, subsidiary, affiliate, predecessor or successor, and all owners, employees, shareholders, insurers, reinsurers, assigns, officers, directors, attorneys, and agents.

1.28. "Service Payments" means the payments to Plaintiffs for initiating the Actions, providing services in support of the Actions, and releasing Plaintiffs' Released Claims.

1.29. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

2. **<u>RECITALS</u>**.

2.1. On July 29, 2025, Plaintiff Morales commenced the *"Morales* Action" by filing a putative class action Complaint against Defendant in San Diego Superior Court Case No. 25CU0426535 (the *"Morales* Action"), asserting claims for wage and hour violations based upon: (1) Failure to Pay All Wages Owed, (2) Failure to Pay All Overtime Wages, (3) Meal Period Violations, (4) Rest Period Violations, (5) Paid Sick Leave Violations, (6) Untimely Payment of Wages, (7) Wage Statement Violations, (8) Waiting Time Penalties, (9) Failure to Reimburse Business Expenses, and (10) Unfair Competition. On October 3, 2025, Plaintiff Morales filed a First Amended Representative Action Complaint in the *Morales* Action, which asserted a sole representative PAGA claim against Defendant.

2.2. On August 7, 2025, Plaintiff Alvarado commenced the *"Alvarado* Action" action by filing a putative class action and representative PAGA action Complaint against Defendant in the Los Angeles Superior Court of California, Case No. 25STCV23263 (the "*Alvarado* Action"), for penalties under PAGA alleging wage and hour violations of the California

Labor Code, including a cause of action for PAGA violations. On October 22, 2025, pursuant to the stipulation of the parties in the *Alvarado* Action and the Court's order thereon, the class claims were dismissed without prejudice, leaving the representative PAGA claim as the sole remaining cause of action.

2.3. On September 18, 2025, Mr. Sanchez commenced the "*Sanchez* Action" by filing a complaint in Los Angeles Superior Court Case No. 25STCV27627, asserting putative class action and PAGA representative action claims against Defendant for Labor Code violations including: (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to timely pay wages during employment; (6) failure to furnish accurate itemized wage statements; (7) failure to maintain required records; (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (9) unfair and unlawful business practices; and (9) a representative action for penalties under PAGA. As part of the settlement, Plaintiff Sanchez shall file a request to dismiss his class action claims without prejudice, pursuant to California Rules of Court Rule 3.770.

2.4. On November 26, 2025, the Los Angeles Superior Court ("LASC") issued a Court Order re: Notice of Related Cases, deeming the *Alvarado* Action (LASC Case No. 25STCV23263) and the *Sanchez* Action (LASC Case No. 25STCV27627) related, with the *Alvarado* Action designated as the lead case.

2.5. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs each gave timely written notice to Defendant and the LWDA by sending their respective PAGA Notices.

2.6. On January 9, 2026, the Parties participated in an all-day mediation presided over by experienced employment law mediator, Paul Grossman. Ultimately, the Parties accepted a mediator's proposal to settle the Actions, subject to the Parties entering into a more detailed long-form settlement agreement.

Prior to mediation, Plaintiffs, through PAGA Counsel, conducted an investigation into the underlying facts, events, and issues related to the subject matter of the Actions. PAGA Counsel represent that they have undertaken an analysis of the legal principles applicable to the claims asserted against Defendant, and the potential defenses thereto. All Parties have had an opportunity to evaluate their respective positions on the merits of the claims asserted. Prior to mediation, PAGA Counsel obtained informal discovery from Defendant, including but not limited to, records reflecting a 10% random sampling of aggrieved employees' time and pay data and documents reflecting Defendant's relevant policies, practices and procedures. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7. 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.

2.8. Except as necessary in a proceeding to enforce the terms of this Settlement, this Agreement and its terms will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable laws.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. The Gross Settlement Amount of Five Hundred Thousand Dollars and Zero Cents ($500,000.00) is the maximum amount on an all-in, non-reversionary basis that Defendant shall pay to settle the Actions and to resolve all claims, penalties, attorneys' fees, costs, administrative fees, and interest. Defendant has no obligation to pay the Gross Settlement Amount prior to 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. No portion 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, subject to the Court's approval:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (33.33%) of the Gross Settlement Amount (i.e., $166,666.67), and a PAGA Counsel Litigation Expenses Payment in an amount of not more than $50,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed the amounts specified herein. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment which is less than the amount requested herein, 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.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed $15,500 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 $15,500, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To Plaintiffs: Plaintiffs shall request, and Defendant will not oppose, a service payment of up to $10,000.00 to each Plaintiff (including Plaintiff Manuel Salvador Sanchez, Plaintiff Kevin Alvarado, and Plaintiff Adrian Morales), to be paid from the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs reflecting their respective awarded Service Payments. Should Plaintiffs and/or PAGA Counsel request a lesser amount for the Service Payments than stated above and/or the Court approve a lesser amount, the difference shall remain part of the Net Settlement Amount. The Service Payments awarded by the Court shall be binding on the Parties and shall not otherwise affect the validity of the Settlement. Plaintiffs assume full responsibility and liability for any taxes owed on the Service Payments.

3.2.4 To the LWDA and Aggrieved Employees: The Net Settlement Amount shall represent the total amount allocated as PAGA Penalties under the Settlement. Of the PAGA Penalties, 65% of the Net Settlement Amount shall be allocated to the LWDA PAGA Payment and 35% of the Net Settlement Amount shall be allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment on a pro rata basis, based on each individual Aggrieved Employee's respective number of PAGA Pay Periods worked, by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (the Individual PAGA Payments) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's respective number of PAGA 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 different than the amount requested, the Administrator will reallocate the remainder to or from the Net Settlement Amount accordingly. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records, as of January 9, 2026, Defendant estimates that there were 511 Aggrieved Employees who collectively worked a total of 31,844 weekly PAGA Pay Periods during the PAGA Period.

4.2 Aggrieved Employee Data. Not later than 14 calendar days after the Court grants Approval of the Settlement, Defendant will 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's 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 to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, 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 Gross Settlement Amount into the Qualified Settlement Account within twenty-one (21) days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will distribute the payments for all Individual PAGA Payments, the Service Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment, and the PAGA Counsel Fees Payment.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to all Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (i.e., 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks that remain uncashed 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 A letter substantially in the form of Exhibit "A" hereto, in English and Spanish, will be included in the mailing of each Aggrieved Employee's Individual PAGA Payment.

4.4.3 The Administrator must conduct an Aggrieved Employee Address Search for all other Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar 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, as 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 Division 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 Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASE OF CLAIMS. Effective on the date when Defendant has fully funded the entire Gross Settlement Amount, the Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Release by Aggrieved Employees:

Upon funding of the Gross Settlement Fund, all Aggrieved Employees (including Plaintiffs) are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all PAGA claims for civil penalties under California Labor Code sections 2698, et seq., predicated on the California Labor Code violations that are asserted in the operative complaint(s) in the Actions or in Plaintiffs' respective PAGA Notices, or which reasonably could have been alleged predicated on the factual allegations in of the operative complaint(s) in the Actions and Plaintiffs' respective PAGA notices, including for violations of Labor Code sections 201, 202, 203, 204, 206.5, 210, 221, 223, 224, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1198, 1199 and 2802, and applicable Industrial Welfare Commission Wage Orders during the PAGA Period. The release does not include other Labor Code claims, claims for wrongful termination, discrimination, unemployment insurance, disability, workers' compensation, and claims outside of the PAGA Period. The Released Claims do not include any claims that cannot be released as a matter of law.

5.2 <u>Plaintiffs' Release:</u>

5.2.1 Upon funding of the Gross Settlement Amount, Plaintiffs shall be deemed to have released Defendants and Released Parties of any and all claims, demands, rights, liabilities, and/or causes of action, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiffs, or their heirs, successors and/or assigns, whether directly, indirectly, representatively, derivatively or in any other capacity, which arose at any time prior to entry of the Judgment, including but not limited to any and all claims which arose out of or are in any way connected with Plaintiffs' employment with Defendant or their separation from employment with Defendant ("Plaintiffs' Released Claims"). This release specifically excludes claims for unemployment insurance, disability, social security, and workers' compensation (except for claims pursuant to Labor Code Sections 132a and 4553).

5.2.2 <u>Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.</u>

For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

> **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.**

Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and complete release and discharge of all of their released claims, Plaintiffs expressly acknowledge that this Settlement is intended to include in its effect, without limitation, all released claims which Plaintiffs do not know or suspect to exist in their favor at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such released claims.

6. COURT APPROVAL OF SETTLEMENT.

6.1 The Parties shall file a stipulation for leave to file an amended, consolidated complaint in the *Morales* Action, which (i) adds Plaintiffs Manuel Salvador Sanchez and Kevin Alvarado as named plaintiffs; and (ii) includes all claims set forth in Section 5.1 above.

6.2 PAGA Counsel shall prepare and file a motion for approval of the PAGA Settlement ("Motion for Approval.") PAGA Counsel will prepare documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft Approval Order; (ii) 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), First Amended Complaint (Labor Code section 2699, subd. (l)(1), and this Agreement (Labor Code section 2699, subd. (l)(2).

Upon the full execution of this agreement, PAGA Counsel shall obtain a prompt hearing date for the motion for approval of the PAGA Settlement. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

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

6.4 The Parties agree that no later than five (5) days after the date of Court approval of the Settlement, Plaintiffs will seek dismissal of the *Sanchez* Action and the *Alvarado* Action.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected CPT Group to serve as the Administrator and verified that, as a condition of appointment, CPT Group 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-1.

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: Based on its records, Defendant estimates that there are 511 Aggrieved Employees who collectively worked a total of 31,844 weekly PAGA Pay Periods during the PAGA Period as of January 9, 2026. If the actual number of Pay Periods worked by the Aggrieved Employees is more than 10% above 31,844 (i.e., 35,029 or higher) during the PAGA Period, the Gross Settlement Amount will be increased by a proportionate amount over the 10% increase. For example, if the total Pay Periods during the PAGA Period increase by 11%, the Gross Settlement Amount will increase by 1%. Alternatively, if the number of Pay Periods during the PAGA Period exceeds 31,844 by more than 10%, then Defendant shall have the option of shortening the PAGA Period so that the number of Pay Periods does not exceed 35,028 in lieu of increasing the Gross Settlement Amount. Defendant will notify Plaintiffs of its election if this escalator clause is triggered prior to the settlement approval motion hearing.

9. CONTINUING JURISDICTION OF THE COURT.

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, 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.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 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 complaints in the Actions 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 Actions 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, Defendants reserve all available defenses to the claims in the Actions, and Plaintiffs reserve the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions 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).

10.2 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.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 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 from the mediator Paul Grossman.

10.5 Inapplicability of California Code of Civil Procedure section 384. The Parties agree that Code of Civil Procedure section 384 is not applicable to the Gross Settlement Amount. Neither Plaintiffs nor PAGA Counsel shall take, or cause any other person to take, a position before the Court that Code of Civil Procedure section 384 applies to the Gross Settlement Amount.

10.6 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.

10.7 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.

10.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived by an express written instrument signed by counsel for all Parties, and approved by the Court.

10.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.10 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.

10.11 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.

10.12 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.13 Limited Use of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Aggrieved Employee 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 60 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement Funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant.

10.14 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.

10.15 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.

10.16 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:

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10.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts. 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.

10.18 Stay of Litigation. The Parties agree that upon the date of entering into the Agreement, the litigation in the Actions shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree upon the signing of this Agreement, pursuant to CCP section 583.330, to extend the date to bring a case to trial under CCP section 583.310 in each of the Actions for the entire period of this settlement process, from date of execution to the entry of the Approval Order.

IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

READ CAREFULLY BEFORE SIGNING.

Dated: ____________, 2026
By:

____
Manuel Salvador Sanchez

Dated: May 27, 2026 ____________, 2026
By:

Kevin alvarado (May 27, 2026 09:25:01 PDT)

Kevin Alvarado

Dated: May, 27, 2026
By:

Adrian Morales

Adrian Morales

On Behalf of Defendant Tom Malloy doing business as Trench Shoring Company:

Dated: ____________, 2026
By:

Name:
Title:

Approved as to form by counsel:

Dated: ____________, 2026

MATERN LAW GROUP, PC

Matthew J. Matern
Julia Z. Wells
Anahi C. Contreras
Attorneys for Plaintiff Manuel Salvador Sanchez

Dated: Mar 27, 2026

AKHAVAN & ASSOCIATES

Bardia A. Akhavan
Attorneys for Plaintiff Kevin Alvarado

Dated: May 27, 2026

FERRARO VEGA EMPLOYMENT LAWYERS, INC.

Nicholas J. Ferraro

Nicholas J. Ferraro
Lauren N. Vega
Elyssa Martinez
Attorneys for Plaintiff Adrian Morales

Dated: ____________, 2026

MEDINA McKELVEY LLP

____

Alexander M. Medina
Eric M. Lloyd
Attorneys for Defendant Tom Malloy Corporation dba Trench Shoring Company

AKHAVAN & ASSOCIATES
Bardia A. Akhavan
bardia@baalaw.com
15760 Ventura Blvd., Suite 1720
Encino, California 91436

FERRARO VEGA EMPLOYMENT LAWYERS, INC.
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San Diego, California 92108

To Defendant: MEDINA McKELVEY LLP
Alexander M. Medina, Esq.
alex@medinamckelvey.com
Eric M. Lloyd, Esq.
eric@medinamckelvey.com
925 Highland Pointe Drive, Suite 300
Roseville, California 95678

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IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

READ CAREFULLY BEFORE SIGNING.

Dated: 26/05/2026, 2026

By: Manuel Sanchez (May 26, 2026 11:05:12 PDT)

Manuel Salvador Sanchez

Dated: ____________, 2026
By:

____
Kevin Alvarado

Dated: ____________, 2026
By:

____
Adrian Morales

On Behalf of Defendant Tom Malloy doing business as Trench Shoring Company:

Dated: ____________, 2026
By:

____
Name:
Title:

Approved as to form by counsel:

Dated: May 26, 2026

MATERN LAW GROUP, PC

____
Matthew J. Matern
Julia Z. Wells
Anahi C. Contreras
Attorneys for Plaintiff Manuel Salvador Sanchez

Dated: ____________, 2026

AKHAVAN & ASSOCIATES

____
Bardia A. Akhavan
Attorneys for Plaintiff Kevin Alvarado

Dated: ____________, 2026

FERRARO VEGA EMPLOYMENT LAWYERS, INC.

____
Nicholas J. Ferraro
Lauren N. Vega
Elyssa Martinez
Attorneys for Plaintiff Adrian Morales

Dated: ____________, 2026
By:

Kevin Alvarado

Dated: ____________, 2026
By:

Adrian Morales

On Behalf of Defendant Tom Malloy doing business as Trench Shoring Company:

Dated: 5/27/2026, 2026
By: William Moore

DocuSigned by:
William Moore
5CF03409AE22426...

Name: William Moore
Title: Cfo

Approved as to form by counsel:

Dated: ____________, 2026

MATERN LAW GROUP, PC

Matthew J. Matern
Julia Z. Wells
Anahi C. Contreras
Attorneys for Plaintiff Manuel Salvador Sanchez

Dated: ____________, 2026

AKHAVAN & ASSOCIATES

Bardia A. Akhavan
Attorneys for Plaintiff Kevin Alvarado

Dated: ____________, 2026

FERRARO VEGA EMPLOYMENT LAWYERS, INC.

Nicholas J. Ferraro
Lauren N. Vega
Elyssa Martinez
Attorneys for Plaintiff Adrian Morales

Dated: May 27, 2026

MEDINA McKELVEY LLP

Alexander M. Medina
Eric M. Lloyd
Attorneys for Defendant Tom Malloy Corporation dba Trench Shoring Company

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

ADRIAN MORALES, an individual; MANUEL SALVADOR SANCHEZ, an individual; and KEVIN ALVARADO, an individual; individually and on behalf of all other aggrieved employees Plaintiffs, vs. TOM MALLOY CORPORATION DBA TRENCH SHORING COMPANY, a California corporation; and DOES 1 through 50, inclusive, Defendants.	CASE NO. 25CU0426535 **NOTICE OF PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT**

This is to notify you that you have been designated to receive a settlement award pursuant to the California Private Attorney General Act ("PAGA"), Labor Code § 2699, *et seq.*, in connection with your employment with Tom Malloy Corporation DBA Trench Shoring Company ("Defendant"). This settlement award arises from a lawsuit filed by plaintiffs Adrian Morales, Manuel Salvador Sanchez and Kevin Alvarado ("Plaintiffs") against Defendant in the San Diego County Superior Court, Case No. 25CU042653C (the "Action").

In the lawsuit, Plaintiffs allege that Defendant violated California labor laws by failing to provide non-exempt employees meal and rest breaks, failing to pay minimum and overtime wages, failing to timely pay wages during employment, failing to pay all wages due to discharged and quitting employees, failing to maintain required records, failing to furnish accurate itemized wage statements, failing to indemnify employees for necessary expenditures incurred in discharge of duties, failing to properly pay vacation/personal time off pay upon termination, failing to pay sick pay at the regular rate, and unlawful deductions and withholdings from employees' wages and failure to and sought civil penalties under PAGA on behalf of all current or former hourly non-exempt employees of Defendant in the State of California at any time during the period from June 3, 2024 to April 9, 2026 (the "PAGA Period"). Defendant denies any wrongdoing and all liability in the action but has agreed to settle the matter to avoid the expense and disruption of further litigation.

Enclosed, please find a check in the amount of $___, which may be cashed until [180 days from date of mailing]. Funds attributable to any uncashed check will be sent after this date to the State Controller's Unclaimed Property Fund in the name of the employee. The amount of your settlement check is based on the number of pay periods you worked for Defendants in California during the PAGA Period. The amount represents penalties and will be reported on an IRS Form 1099. If you have any questions regarding tax reporting or payment, you should contact a tax professional.

Under the terms of the Court-approved settlement, you have released Defendant and any of its past, present, or future parent, subsidiary, affiliate, predecessor or successor, and all owners, employees, shareholders, insurers, reinsurers, assigns, officers, directors, attorneys, and agents (the "Released Parties") all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, et seq., predicated on the California Labor Code violations that are asserted in the operative complaint in the Action or in Plaintiffs' respective PAGA Notices, or which reasonably could have been alleged predicated on the factual allegations in of the operative complaint in the Action and Plaintiffs' respective PAGA notices, including for violations of Labor Code sections 201, 202, 203, 204, 206.5, 210, 221, 223, 224, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1198, 1199 and 2802, and applicable Industrial Welfare Commission Wage Orders during the PAGA Period. The release does not include other Labor Code claims, claims for wrongful termination, discrimination, unemployment insurance, disability, workers' compensation, and claims outside of the PAGA Period. The Released Claims do not include any claims that cannot be released as a matter of law.

If you have any questions regarding this award or the case, you may contact the Settlement Administrator:

Settlement Administrator
Address
Telephone Number

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.