CASE NO. 25STCV31147 PAGA SETTLEMENT AGREEMENT AND PAGA RELEASE

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Roger Figueroa ("Plaintiff") and defendant Arcadia Care Center, LLC ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's First Cause of Action (or PAGA claim) asserted in the Complaint in the lawsuit filed by Plaintiff against Defendant captioned *Roger Figueroa v. Arcadia Care Center, LLC*, Los Angeles Superior Court case number 25STCV31147, initiated on October 23, 2025, and pending in Superior Court of the State of California, County of Los Angeles.

1.2. "Administrator" means Phoenix Class Action Administration Solutions, 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 a person employed by Defendant in California and classified as a non-exempt hourly worker who worked for Defendant 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. "Court" means the Superior Court of California, County of Los Angeles.

1.8. "Defense Counsel" means Jose-Manuel A de Castro of De Castro Law Group, P.C.

1.9. "Effective Date" means the date on which the Court enters an Order approving this Agreement.

1.10. "Gross Settlement Amount" means $50,000.00 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

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LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.11. "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.

1.12. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699(i).

1.13. "LWDA PAGA Payment" means 65% of the Net PAGA Settlement Amount paid to the LWDA under Labor Code section 2699(i).

1.14. "Net PAGA Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remaining Net PAGA Settlement Amount is to be paid to the LWDA as the LWDA PAGA Payment and to the Aggrieved Employees as Individual PAGA Payments.

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

1.16. "PAGA Counsel" means Matthew Gutierrez, Esq. Lawyers of Legal Rights LLP, the attorney representing the Plaintiff in the Action.

1.17. "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.

1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.19. "PAGA Period" means the period from July 3, 2024, through April 20, 2026.

1.20. "PAGA Notice" means Plaintiff's July 3, 2025 letter to Defendant and the LWDA and Plaintiff's August 14, 2025 Amended LWDA letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3(a).

1.21. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net PAGA Settlement Amount, allocated 35% to the Aggrieved Employees and 65% to LWDA in settlement of PAGA claims.

1.22. "Plaintiff" means Roger Figueroa, the named plaintiff in the Action.

1.23. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.24. "Released PAGA Claims" means the claims being released by the Plaintiff as described in Paragraph 6 below.

1.25. "Released Parties" means: Defendant and each of its former and present directors, officers, shareholders, owners, [members], attorneys, insurers, predecessors, successors, assigns [subsidiaries] [affiliates].

1.26. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.27. "Defendant" means named Defendant(s) Arcadia Care Center, LLC.

2. RECITALS.

2.1. On October 23, 2025, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) Private Attorneys General Act; (2) Failure to Provide Meal and Rest Periods or Compensation in Lieu Thereof in Violation of Labor Code § 226.7; (3) Labor Code § 203 Waiting Time Penalty; (4) Failure to Reimburse and Indemnify for Expenditures; (5) Labor Code § 1198.5(k) Penalty; and (6) Labor Code § 226(f) Penalty. The Complaint is the operative complaint in the Action (the "Operative Complaint.") 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, Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice. The LWDA Case No. is LWDA-CM-1109577-25.

2.3. On April 20, 2026, the Parties participated in an all-day mediation presided over by Michael Mandel, Esq. which led to this Agreement to settle the Action.

2.4. Prior to mediation, Defendants provided to Plaintiff, through informal discovery, the time and payroll records of the non-exempt employees for the PAGA Period.

2.5. Defendant represents that it is 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. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $50,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 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 Final Approval:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% of the Gross Settlement Amount and PAGA Counsel Litigation Expenses Payment of not more than $3,585.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed the amount of $4,750.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less than this amount, the Administrator will retain the remainder in the Net PAGA Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the estimated amount of $25,000.00 to be paid from the Gross Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% 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.

3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. NON-MONETARY TERMS. Within 60 days after receiving the PAGA Notice, Defendant undertook all reasonable steps to prospectively be in compliance with all provisions identified in the notice.

5. SETTLEMENT FUNDING AND PAYMENTS.

5.1. Aggrieved Employee Pay Periods. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 345 Aggrieved Employees ("Number of Aggrieved Employees") who worked 8,631 aggregate pay periods during the PAGA Period ("Number of Pay Periods").

5.2. Aggrieved Employee Data. Within 15 days of the court approving the 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. 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.

5.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

5.4. Payments from the Gross Settlement Amount. Within 15 days after Defendant funds 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, and the PAGA Counsel Litigation Expenses Payment.

5.4.1. 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.

5.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned 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.

5.4.3. 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.

5.4.4. 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.

6. **RELEASES OF PAGA CLAIMS**. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, all Aggrieved Employees 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 claims for PAGA penalties based on the following Labor Code statutes: *§ 226.7, 512, 226, 1198, 2802, 1174(d), 558, 226.3, 1174.5, 201, 202, 203, 432 and 1198.5* during the PAGA Period, and all claims that were, or reasonably could have been, alleged, based on the facts contained in the operative Complaint, the PAGA Notice, and the Amended PAGA Notice.

7. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** Any of the Parties may prepare and file an application or motion for approval of this Settlement. Plaintiff, however, agrees to prepare and file the motion for approval.

7.1 Defendant's Declaration. Within 10 days of execution of this Agreement, Defendant shall provide Plaintiff with a declaration confirming that prior to receiving the PAGA Notice and/or within 60 days after receiving the PAGA Notice, Defendant had taken all reasonable steps to prospectively be in compliance with all provisions identified in the PAGA Notice.

7.2 Duty to Cooperate. 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 via Zoom or by telephone, and 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 via Zoom or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected the Administrator. The Parties 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 providing 1099 forms.

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.

9. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

9.1. Escalator Clause. Should the final total number of Pay Periods worked by Aggrieved Employees during the PAGA Period exceed the estimates stated in section 5.1 by more than 10%, Defendants shall increase the GSA in proportion to the percentage variation in the number of PAGA Periods worked by Aggrieved Employees in excess of the 10% threshold. Alternatively, Defendants can choose to move up the end of the Release Period to a date prior to the PAGA Periods triggering the Escalator Clause.

10. CONTINUING JURISDICTION OF THE COURT.

10.1 Pursuant to Code of Civil Procedure § 664.6, the Parties agree that the Court may retain jurisdiction for the purpose of enforcing full performance of the terms of this PAGA Agreement. In the event that one or more of the Parties institutes any motion, legal action, or other proceeding against any other Party or Parties to enforce the provisions of this PAGA Agreement or to declare rights and/or obligations under this PAGA Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

10.2 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.

10.3 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 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 PAGA Settlement Amount.

11. 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 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 Plaintiff 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 Plaintiff reserves 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).

10.2 Integrated Agreement. Upon execution by all Parties, 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 Cooperation. The Parties 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.

10.4 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.

10.5 No Tax Advice. Neither Plaintiff, 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.

10.6 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.

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

10.8 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.

10.9 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.

10.10 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.

10.11 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.

10.12 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.

10.13 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g. 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.

10.14 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.

10.15 Invalidity of Any Provision/Severability. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. If any term or provision of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

10.16 Parties' Authority: The Parties as signatories hereto hereby represent that they are fully authorized to enter into this PAGA Agreement and bind the Parties to the terms and conditions hereof.

Date: 04 / 30 / 2026

Roger F

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Plaintiff Roger Figueroa

Date:

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Defendant Arcadia Care Center, LLC