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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

ANDRES CEDENO OLIVO, individually, and
on behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

KHANNA ENTERPRISES GENERAL
PARTNER, an unknown business entity;
KHANNA ENTERPRISES IV LIMITED
PARTNERSHIP, a California limited partnership;
KHANNA ENTERPRISES - II, LIMITED
PARTNERSHIP, a California limited partnership;
KHANNA ENTERPRISES II, INC., a California
corporation; KHANNA ENTERPRISES III,
INC., a Delaware corporation; KHANNA
ENTERPRISES V LIMITED PARTNERSHIP, a
California limited partnership; KHANNA
ENTERPRISES VI LP, a Delaware limited
partnership; KHANNA ENTERPRISES, INC., a
California corporation; KHANNA
ENTERPRISES LTD., - III, LP, a California
limited partnership; KHANNA ENTERPRISES,
LTD., A LIMITED PARTNERSHIP, a California
limited partnership; ASHWIN KHANNA, INC., a
California corporation; RAJESH KHANNA,
INC., a California corporation; RAVI KHANNA,
INC., a California corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No. 22CV409085

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Santa Clara (“Court”), Plaintiff Andres Cedeno Olivo (“Plaintiff”) and Defendants Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd. (“Defendants”) (collectively with Plaintiff, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of Plaintiff’s claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Olivo v. Khanna Enterprises General Partner, et al.* No. 22CV409085 (Santa Clara County Superior Court).
2. “Aggrieved Employees” means all individuals employed by Defendants as non-exempt employees in California at any time during the period from January 27, 2022 through the earlier of: (a) November 6, 2024 or (b) the date of entry of the Order and Judgment.
3. “Court” means the Superior Court for the State of California, County of Santa Clara.
4. “Gross Settlement Amount” means the settlement amount of Five Hundred Fifty Thousand Dollars (\$550,000) to be paid by Defendants in full satisfaction of all Settled Claims arising from the Action.
5. “LWDA” means the California Labor and Workforce Development Agency.
6. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.
7. “Plaintiff’s Counsel” means Capstone Law APC.
8. “Service Award” means the amount to be paid to Plaintiff as payment for his service on behalf of the LWDA and Aggrieved Employees, and for a general release of all claims arising out of his employment with Defendants.

9. “Settled Claims” means any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged in the Action during the Settlement Period.

10. “Settlement Period” means January 27, 2022 through the earlier of: (a) November 6, 2024 or (b) the date of entry of the Order and Judgment.

TERMS

11. Amended Pleadings. Plaintiff shall amend the Operative Complaint and the LWDA letter to conform the pleadings with the scope of the Settled Claims including PAGA allegations for the predicate violation of Failure to Indemnify for Necessary Expenditures pursuant to Labor Code §2802.

12. Dismissal of Non-Settling Defendants. Plaintiff shall dismiss without prejudice from the Complaint all Defendants named in the action who are not parties to this Agreement, including Khanna Enterprises, Ltd.-III, LP, Khanna Enterprises V Limited Partnership, Khanna Enterprises General Partner, Khanna Enterprises II, Inc., Khanna Enterprises III, Inc., Khanna Enterprises, Inc., Ashwin Khanna, Inc., Rajesh Khanna, Inc., and Ravi Khanna, Inc. Plaintiff shall file the requisite dismissal papers with the court upon approval of the PAGA settlement.

13. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendants will pay Five Hundred Fifty Thousand Dollars (\$550,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

14. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the

PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

14(a) Defendants will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

14(b) To determine each Aggrieved Employee's payment from the PAGA Penalties Fund, Defendants will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

14(c) Defendants estimate that Aggrieved Employees worked during a total of Twenty-Two Thousand (22,000) Pay Periods during the Settlement Period. If the actual number of Pay Periods exceed Twenty-Two Thousand (22,000) by more than ten percent (10%), then the Gross Settlement Amount will be proportionally increased on a pro rata basis above the ten percent (10%) increase (e.g., if the actual number of Pay Periods is 15% higher than the represented number, the Gross Settlement Amount shall be increased by 5%).

15. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than One Hundred Eighty-Three Thousand Three Hundred Thirty-Three Dollars (\$183,333), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Twenty-Five Thousand Dollars (\$25,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

1 16. Service Award. For a general release of all claims Plaintiff may have against Defendants
2 arising out of his employment, and for his service on behalf of the LWDA and Aggrieved Employees,
3 Defendants agree not to oppose or impede any application or motion by Plaintiff for a service award of
4 up to Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the Service Award, Plaintiff
5 will be deemed to have fully released and discharged Defendants from any and all claims, demands,
6 obligations, causes of action, rights, or liabilities of any kind which have been or could have been
7 asserted against Defendants arising out of, or relating to, Plaintiff's employment with Defendants or
8 termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation,
9 defamation, discrimination, harassment or wrongful termination of employment. This release specifically
10 includes any and all claims, demands, obligations and/or causes of action for damages, restitution,
11 penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any
12 way connected with the matters referred to herein, whether or not known or suspected to exist, and
13 whether or not specifically or particularly described herein. Specifically, Plaintiff will be deemed to have
14 waived all rights and benefits afforded by California Civil Code Section 1542, which provides:

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

20 17. Plaintiff understands and agrees that this Settlement Agreement shall remain in full force
21 and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the
22 Court.

23 18. Settlement Administration Costs. The Parties will retain ILYM Group, Inc. as the third-
24 party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be
25 responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate
26 tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement
27 Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there
28 are approximately 850 Aggrieved Employees, Settlement Administration Costs are estimated at Six

1 Thousand Two Hundred Fifty Dollars (\$6,250).

2 19. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
3 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
4 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
5 the Settlement Agreement (the "Order and Judgment").

6 20. List of Aggrieved Employees. Within thirty (30) calendar days after entry of the Order
7 and Judgment, Defendants will provide the Settlement Administrator a complete list of all Aggrieved
8 Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft
9 Office Excel and will include each Aggrieved Employees full name; most recent mailing address and
10 telephone number; Social Security number; the respective number of pay periods during which each
11 Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to
12 calculate settlement payments.

13 21. Funding of the Settlement. Within thirty (30) calendar days after entry of the Order and
14 Judgment, Defendants will deposit the Gross Settlement Amount into the QSF to be established by the
15 Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the
16 Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and
17 Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement
18 Administrator, and not Defendants, will issue the appropriate tax forms for all payments issued under
19 this Settlement.

20 22. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
21 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
22 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a
23 search based on the National Change of Address Database for information to update and correct for any
24 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
25 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address
26 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
27 to determine the correct address using a skip-trace, or other search using the name, address or Social
28 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.

Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be tendered to The Justice Gap Fund maintained by The State Bar of California. All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

23. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved Employees will be forever barred from pursuing against Defendants any and all Settled Claims during the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims by virtue of this Settlement.

24. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

25. Right to Withdraw. Either Party may withdraw from Settlement if: (a) the Settlement is construed in such a fashion that Defendants are required to pay more than the Gross Settlement Amount to resolve the Settled Claims; (b) the Court does not approve the Settlement; (c) the Court does not order the release of the Settled Claims agreed to by the Parties, or otherwise makes an order inconsistent with any of the material terms of this Settlement; or (d) Plaintiff or Plaintiff's Counsel breaches the Settlement.

26. No Publicity. The Parties and attorneys will keep the Settlement confidential through the date on which they seek Court approval of the Settlement. Thereafter, the Parties will agree to make no comments to the media or otherwise publicize the terms of the Settlement. However, Plaintiff's Counsel shall be allowed to discuss the Settlement with Aggrieved Employees, file settlement documents and describe the Settlement as needed to obtain approval of the Settlement, and to cite to the Settlement in court filings for the determining of Plaintiff's Counsel's adequacy as counsel or for purposes of seeking approval of comparable wage and hour settlements. In response to any media inquiries, Plaintiff and

Plaintiff's Counsel will state that "the case was resolved with Court approval." Plaintiff and Plaintiff's Counsel will not report the Settlement or its content in any medium or in any publication, will not post or report anything regarding the claims of Plaintiff or Aggrieved Employees on their website, and will not contact any reporters or media regarding the Settlement or the Action. However, Plaintiff's Counsel will be permitted to post or report anything which would not identify Defendants by name or in a manner which would not identify Defendants on their website. Nothing in this provision is intended to prohibit: (a) Plaintiff from discussing this Settlement with his respective spouses, attorneys, or tax advisors; (b) Plaintiff's Counsel from citing the Settlement in this case as evidence supporting their competence as counsel in wage/hour and/or class action matters in public court filings; or (c) Plaintiff's Counsel from communicating with the Plaintiff in this case, discussions.

27. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

28. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

29. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

30. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

1 31. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
2 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
3 on the Parties.

4 32. Amendment or Modification. This Settlement Agreement may be amended or modified
5 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
6 Parties, and approved by the Court.

7 33. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
8 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
9 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
10 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
11 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
12 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
13 reach agreement on the form or content of any document needed to implement the Settlement, or on any
14 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
15 may seek the assistance of the Court to resolve such disagreement.

16 34. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
17 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

18 35. California Law Governs. All terms of this Settlement Agreement will be governed by
19 and interpreted according to the laws of the State of California.

20 36. Execution and Counterparts. This Settlement Agreement is subject only to the execution
21 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
22 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and
23 scanned copies of the signature pages, will be deemed to be one and the same instrument.

24 37. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
25 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
26 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
27 they are each represented by competent counsel and that they have had an opportunity to consult with
28 their counsel regarding the fairness and reasonableness of this Settlement.

38. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

39. Invalidity of Any Provision. Before declaring any provision of this Settlement 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 Settlement Agreement valid and enforceable.

40. Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

41. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

42. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

43. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

44. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

45. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good

faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

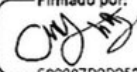
46. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

47. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 9/24/2024

Firmado por:

566087B2B2524AA

no Olivo

DEFENDANTS

Dated: 9/24/2024



Ashwin Khanna for
Khanna Enterprises II, Limited Partnership; Khanna
Enterprises IV Limited Partnership; Khanna
Enterprises VI, LP; and Khanna Enterprises, Ltd.

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Olivo v. Khanna Enterprises General Partner, et al.* No. 22CV409085
(Santa Clara County Superior Court)**

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Olivo v. Khanna Enterprises General Partner, et al.* No. 22CV409085 (Santa Clara County Superior Court) (the “Action”).

The Action was filed against Defendants Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd. (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendants on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties.

The Court has not ruled on the merits of the Action, but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]