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15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 COUNTY OF SAN MATEO
17

18 NOEL LATORRE, individually, and on behalf
19 of all aggrieved employees,

20 Plaintiff,

21 vs.

22 PATRIOT GROUP GLOBAL, INC., a New
Hampshire corporation, and DOES 1-25,
23 inclusive,

24 Defendant.

Case No. 23-CV-05561

**STIPULATION OF SETTLEMENT OF
REPRESENTATIVE CLAIM UNDER
LABOR CODE § 2698, ET SEQ., THE
PRIVATE ATTORNEYS GENERAL ACT
OF 2004**

EXHIBIT A: [PROPOSED] JUDGMENT

**EXHIBIT B: PROPOSED NOTICE OF
SETTLEMENT**

Assigned for All Purposes to
Judge: Jeffrey R. Finigan
Dept.: 24

Complaint Filed: November 21, 2023
Trial Date: None Set

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Stipulation of Settlement” or “Settlement”) is made and entered into between Plaintiff Noel Latorre (“Plaintiff”), individually and as private attorney general on behalf of the State of California pursuant to the Private Attorneys General Act of 2004, as amended, Labor Code section 2698 *et seq.* (herein “PAGA”), on the one hand, and Defendant Patriot Group Global, Inc. (“Patriot” or “Defendant”), on the other hand. Plaintiff and Defendant (each, a “Party”) are collectively referred to herein as the “Parties.”

I. INTRODUCTION AND NATURE OF ACTION

1. Defendant previously employed Plaintiff in California as a non-exempt security guard from on or about October 21, 2017 to September 19, 2022.

2. On January 16, 2023, Plaintiff filed a notice with the California Labor and Workforce Development Agency (“LWDA”) that gave notice of his intent to pursue a representative lawsuit under the Private Attorneys General Act (“PAGA”) against Defendant on behalf of himself and the State of California, as well as on behalf of other aggrieved employees (the “LWDA Letter”). During the requisite sixty-five (65) day waiting period, the LWDA failed to intervene.

3. On November 21, 2023, Plaintiff filed a complaint in San Mateo County Superior Court entitled *Noel Latorre, individually and on behalf of all aggrieved employees v. Patriot Group Global, Inc.* Case No. 23-CIV-05561 (the “Lawsuit”). In the Lawsuit, Plaintiff alleged claims for: (1) failure to pay minimum wage; (2) failure to pay overtime wages; (3) failure to provide meal and rest periods or premium payments; (4) failure to provide accurate itemized wage statements; (5) failure to pay all wages due and payable at separation of employment; (6) unfair business practices; and (7) PAGA violations. This Stipulation of Settlement relates only to the civil penalties sought under PAGA by Plaintiff on behalf of himself and all similarly aggrieved individuals who were employed by Defendant as non-exempt employees, however titled, in the State of California during the Covered Period.

4. The PAGA allegations in Plaintiff's Lawsuit are based on the following alleged predicate violations: (1) failure to pay all regular wages, in violation of Labor Code section 1194; (2) failure to pay overtime wages in violation of Labor Code sections 510, 1194, and 1198; (3)

1 failure to provide Plaintiff and similarly aggrieved employees with all required and/or fully
2 compliant meal and rest periods, and/or compensation in lieu thereof, in violation of Labor Code
3 sections 226.7 and 512 and Wage Order 4-2001 (and all applicable Wage Orders); (4) failure to
4 provide Plaintiff and similarly aggrieved employees with proper, itemized wage statements, in
5 violation of Labor Code section 226; (5) failure to keep “accurate and complete” payroll records
6 showing, among other things, the hours worked daily by all non-exempt employees, in violation of
7 Labor Code sections 1174, 1174.5, 1175, 226(a), and Wage Order 4-2001 (and all applicable Wage
8 Orders); (6) failure to pay Plaintiff and similarly aggrieved employees all wages earned and unpaid
9 at the time of discharge or resignation, in violation of Labor Code sections 203; (7) failure to provide
10 COVID-19 Supplemental Paid Sick Leave and notice thereof in violation of Labor Code sections
11 247 and 248.2; (8) failure to keep requisite notices in the workplace in violation of Labor Code
12 sections 3550, 1102.8, 6404.5(c)(1), 1183(d), 207, and 6328; and (8) engaging in unfair business
13 practices in violation of Business & Professions Code section 17200, *et seq.*

14 5. On December 13, 2023, the Parties engaged in mediation of the Lawsuit with Steve
15 Pearl, an experienced wage and hour/PAGA mediator. In advance of the mediation, the Parties
16 engaged in discovery and voluntary production of documents and information including the
17 production by Defendant of, among other things, Defendant’s policies and procedures pertaining to
18 the claims at issue; time keeping and payroll records, and data reflecting the number of potentially
19 Aggrieved Employees and the number of pay periods at issue. On December 21, 2023, the Parties
20 entered into a Memorandum of Understanding and Term Sheet Settlement Agreement that confirms
21 the settlement of all claims asserted in the Lawsuit.

22 6. This Stipulation of Settlement is consistent with and in furtherance of the settlement
23 reached by the Parties at the mediation and resolves the PAGA claim asserted by Plaintiff.

24 **II. CONDITIONAL NATURE OF THIS STIPULATION**

25 7. This Stipulation of Settlement is made for the purpose of attempting to consummate
26 settlement of the Lawsuit on a representative basis under PAGA with a corresponding settlement of
27 Plaintiff’s individual claims by way of a separate Individual Settlement and Release Agreement.
28 This Stipulation of Settlement and the settlement it evidences are made in compromise of disputed

claims. Because this is a PAGA settlement, it must receive approval from the Court. Accordingly, Defendant enters into this Stipulation of Settlement and associated settlement on a conditional basis, i.e., subject to approval by the Court.

III. DEFINITIONS

8. Terms not otherwise defined in this Stipulation shall have the following meanings:

a. **“Administrator” or “Settlement Administrator”** means Rust Consulting, the neutral entity the Parties have agreed to appoint to administer the Settlement.

b. **“Aggrieved Employee”** means a person employed by Defendant in California and classified as a non-exempt, hourly-paid employee at any time between January 16, 2022, and the date of settlement approval and associated entry of the Judgment.

c. **“Court”** means the Superior Court of California, County of San Mateo.

d. **“Covered Period”** shall mean any time between January 16, 2022, and the date of settlement approval and the associated entry of judgment.

e. **“Defense Counsel”** means Joseph D. Lee of Munger, Tolles & Olson, LLP and Michael Thomas of Jackson Lewis P.C.

f. **“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.

g. **“Eligible Pay Periods”** means the pay periods for which an Aggrieved Employee received a wage statement from Defendant for non-exempt employment in California during the Covered Period.

h. **“Final”** means the point at which the Judgment has become final and irreversible because either (i) no appeal has been taken from the Judgment within 60 days of its entry or (ii) an appeal or other review proceeding of the Judgment having been commenced, such appeal or other review is finally concluded and is no longer subject to review, whether by direct appeal, writ of certiorari, motion for reconsideration, or otherwise, and such appeal or other review has been finally resolved in a manner that materially affirms the Judgment. Notwithstanding the foregoing, any proceeding or order, or any appeal or petition for a writ pertaining solely to the award of

1 attorneys' fees or costs shall not, by itself, in any way delay or preclude the Judgment from
2 becoming Final.

3 i. **"Gross Settlement Amount"** means Five Hundred Twenty-Five Thousand Dollars
4 and Zero Cents (\$525,000.00), which is the maximum total gross amount Defendant agrees and is
5 obligated to pay under the settlement, consistent with the specific provisions set forth in
6 Paragraphs 13–15 below and with the exception of the potential circumstances set forth in
7 Paragraph 30 below.

8 j. **"Judgment"** means the judgment to be entered by the Court pursuant to this
9 Stipulation of Settlement, which shall be a judgment in the same or substantially the same form as
10 Exhibit A.

11 k. **"LWDA"** means the California Labor and Workforce Development Agency.

12 l. **"Net Penalty Amount"** shall mean and refer to the portion of the Gross Settlement
13 Amount that is allocated to penalty payments under PAGA, which shall be the Gross Settlement
14 Amount less the payments for attorneys' fees, costs, Plaintiff's PAGA Representative
15 Enhancement Payment, and costs of settlement administration authorized by Subparagraphs 15(b),
16 (c), and (d) below.

17 m. **"PAGA Counsel"** means, Tyler D. Kring and Jeffrey T. Green of Kring & Chung,
18 LLP. The term "PAGA Counsel" shall be used synonymously with the term "Plaintiff's Counsel."

19 n. **"PAGA"** means the Private Attorneys General Act of 2004 (Labor Code §§ 2698.
20 *et seq.*).

21 o. **"Released Claims"** means the PAGA claims and accompanying violations being
22 released by the Plaintiff, all of the Aggrieved Employees, and the State of California, as described
23 in Paragraph 18 below.

24 p. **"Released Parties"** means Defendant Patriot Group Global Inc. and its
25 predecessors and successors, corporate parents, corporate subsidiaries, corporate affiliates
26 (including, without limitation, Garda USA Inc. and Garda World Security Corporation) and all of
27 its and those entities' current and former officers, owners, directors, managing agents, members,
28

1 shareholders, assigns, employees, agents, principals, heirs, representatives, attorneys, accountants,
2 auditors, consultants, insurers and reinsurers.

3 q. “Settlement Notice” or “Notice” means the letter to be sent by the Administrator
4 with each payment to an Aggrieved Employee, in the same or substantially the same form as
5 Exhibit B.

6 **IV. THE LITIGATION AND DEFENDANT’S DENIAL OF LIABILITY**

7 9. Defendant denies any liability or wrongdoing of any kind associated with the claims
8 alleged in the Lawsuit, and denies any liability or intentional wrongdoing whatsoever. Defendant
9 contends, among other things, that it has complied at all times with the California Labor Code, the
10 related California Wage Orders, and all other state and federal wage laws, and further contends that
11 the claims asserted in the Lawsuit are without merit. Defendant has denied and continues to deny
12 each and every material factual allegation and alleged claim asserted against it in the Lawsuit.
13 Defendant further contends that the imposition of any penalties would be unjust, arbitrary,
14 oppressive, and confiscatory. Nevertheless, Defendant is willing to pay a reasonable amount in
15 order to resolve this matter in light of the distraction to Defendant’s business and expense posed by
16 continuing to defend the Lawsuit.

17 10. The Parties recognize that the issues presented in the Lawsuit are likely only to be
18 resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause
19 inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits
20 of litigation in light of the risk and uncertainty of the outcome inherent in any litigation.

21 11. Plaintiff and PAGA Counsel represent that they have diligently pursued an
22 investigation of the Aggrieved Employees’ claims against Defendant. Based on their own
23 independent investigations and evaluations, Plaintiff and PAGA Counsel are of the opinion that the
24 settlement for the consideration and on the terms set forth herein is fair, reasonable, and adequate
25 and is in the best interests of Plaintiff and the Aggrieved Employees in light of all known facts and
26 circumstances and the risks inherent in litigation, including potential appellate issues. Further,
27 PAGA Counsel believes that the settlement amount entered into is in the best interests of the State
28

1 of California and the Aggrieved Employees and that the settlement for each Aggrieved Employee
2 is fair, reasonable, and adequate, given the inherent risk of litigation.

3 12. The purpose of this Settlement is to settle and compromise the Released Claims that
4 Plaintiff and the Aggrieved Employees have under PAGA against Defendant and the Released
5 Parties. Neither the existence of this Settlement nor anything contained in this Settlement shall be
6 construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part
7 of Defendant. The Parties expressly recognize that the making of the Settlement does not in any
8 way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in the
9 Settlement, nor any action taken in implementation thereof, nor any statements, discussions or
10 communications, nor any materials prepared, exchanged, issued or used during the course of the
11 PAGA litigation, is intended by the Parties to, nor will any of the foregoing constitute, be introduced,
12 be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or
13 other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute,
14 ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Neither
15 the Settlement nor any resulting court order approving the settlement or judgment shall have any
16 collateral estoppel or other preclusive effect on Defendant, and it shall not in any way establish any
17 liability against Defendant.

18 **IV. TERMS OF SETTLEMENT**

19 13. In consideration of the mutual covenants, promises, and representations set forth in
20 this Settlement, Plaintiff, on behalf of himself and the Aggrieved Employees, the State of California,
21 and the Labor and Workforce Development Agency, and Defendant agree to settle and compromise
22 the Released Claims, subject to the terms and conditions set forth in this Settlement.

23 14. The Amount of Settlement. As consideration for the settlement described herein and
24 the release contained in this Settlement, Defendant agrees to pay the Gross Settlement Amount of
25 \$525,000.00 (five hundred twenty-five thousand dollars and zero cents).

26 15. The Gross Settlement Amount will include the following payments:

27 (a) The Net Penalty Amount. Pursuant to PAGA, Seventy-Five Percent (75%)
28 of the Net Penalty Amount will be paid to the LWDA, and the remaining Twenty-Five Percent

(25%) will be paid to Aggrieved Employees on a pro rata basis based on their respective Eligible Pay Periods during the Covered Period (the payments to each Aggrieved Employee, the “Aggrieved Employee Share”);

(b) A payment to PAGA Counsel for reasonable attorneys’ fees of up to Forty Percent (40%) of the Gross Settlement Amount (i.e., up to two hundred ten thousand dollars and zero cents) (\$210,000.00), as well as a payment to PAGA Counsel not to exceed \$18,000.00 for allowable costs, as addressed in more detail in Paragraph 16 below; and

(c) Settlement administration costs reasonably incurred by the Settlement Administrator.

(d) A PAGA Representative Enhancement Payment of ten thousand dollars and zero cents (\$10,000.00), that will be paid to Plaintiff.

16. PAGA Counsel’s Fees and Costs. As part of the request for approval of this Settlement, PAGA Counsel will request court approval of up to forty percent (40%) of the Gross Settlement Amount, i.e., up to two hundred ten thousand dollars and zero cents (\$210,000.00), in reasonable attorneys’ fees in addition to allowable costs incurred by PAGA Counsel not to exceed \$18,000.00 which is to be determined and supported by a sworn declaration. Any attorneys’ fees and costs awarded to PAGA Counsel, hereinafter referred to as “PAGA Counsel Fees & Costs,” shall fully compensate and reimburse PAGA Counsel for any and all of the work already performed in connection with the Lawsuit and all work remaining to be performed in fully and finally resolving the Lawsuit, including but not limited to securing court approval of this Settlement, attending any court hearings, making sure that the Settlement is fairly and properly administered, defending the Settlement in any appeal or other post-approval matter, all other work that PAGA Counsel has performed or will perform, and all costs that PAGA Counsel has incurred or will incur. Any portion of the fees and costs requested by PAGA Counsel that are not awarded by the Court will be part of the Net Penalty Amount.

17. Tax Treatment of Settlement Amounts. With regard to settlement payments to Aggrieved Employees, including Plaintiff, Defendant, through the Settlement Administrator, shall be responsible for issuing all necessary tax forms. Because the payments to Aggrieved Employees

1 are being made in settlement of claims for statutory penalties, they shall be reported as non-wage
2 payments in the year of payment and reported on a Form 1099 with no withholdings or payroll taxes.
3 Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local
4 tax obligations. The Parties make no representations to one another or to any Aggrieved Employee
5 as to the tax treatment or legal effect of the payments called for hereunder, and Aggrieved
6 Employees are not relying on any statement or representation by the Parties, PAGA Counsel or
7 Defense Counsel in this regard. Aggrieved Employees understand and agree that they will be
8 responsible for the payment of any taxes and penalties assessed on the payments described herein
9 and will hold the Parties, PAGA Counsel and Defense Counsel free and harmless from and against
10 any claims, liabilities, costs and expenses, including attorney's fees, resulting in any way from
11 personal tax treatment of the payments made pursuant to this Settlement. To the extent that this
12 Settlement or any of its attachments is interpreted to contain or constitute advice regarding any state
13 or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any
14 person for the purpose of avoiding penalties under the Internal Revenue Code. Neither the Parties,
15 PAGA Counsel, nor Defense Counsel are responsible for any Aggrieved Employee's tax obligations
16 arising from the settlement payments.

17 **V. RELEASE**

18 18. Release By All Aggrieved Employees. Upon the entry of Judgment in accordance
19 with this Settlement, Plaintiff, all of the Aggrieved Employees, the State of California, and the Labor
20 and Workforce Development Agency (the "Releasing Parties") will be forever barred from pursuing,
21 against Defendant and the Released Parties, any claim arising during the period from January 16,
22 2022, to the date of settlement approval and associated entry of the Judgment, for relief of any kind
23 under PAGA based on any claims that were or could have been asserted under PAGA based on the
24 facts alleged in the Lawsuit or the LWDA Letter, and shall specifically include, without limitation,
25 all claims for PAGA penalties based on any of the following alleged underlying violations of the
26 California Labor Code or Industrial Wage Orders: (1) failure to pay regular, overtime, or premium
27 wages, including without limitation claims for regular, sick, vacation, or premium wages and any
28 claims relating to calculation of overtime due for employees with multiple regular rates during a

1 particular pay period; (2) failure to compensate Aggrieved Employees for all hours worked; (3)
2 failure to pay the appropriate regular rate of pay; (4) failure to comply with payroll or wage record-
3 keeping documentation or wage statement itemization requirements, including without limitation
4 alleged failure to disclose COVID-19 Supplemental Paid Sick Leave hours; (5) failure to provide
5 sufficient meal and/or rest periods or pay premiums in lieu thereof; (6) failure to timely pay wages
6 due at termination or otherwise; (7) failure to furnish accurate or compliant wage statements; (8)
7 failure to reimburse business or other expenses and costs, including without limitation cell phone
8 expenses; (9) violation of Labor Code section 203 by refusal to pay wages due and payable and/or
9 denial of the validity of claims to wages due, including without limitation by reason of (allegedly)
10 willfully, knowingly and intentionally failing to pay wages due and falsely representing that wages
11 were properly denied; (10) failure to keep “accurate and complete” payroll records showing, among
12 other things, the hours worked daily by all non-exempt employees; and (11) failure to pay wages on
13 a weekly basis, in violation of Labor Code section 201.3. The Released Claims include, but are not
14 limited to, all PAGA claims based on alleged violations of California Labor Code sections 201,
15 201.3, 202, 203, 204, 207, 210, 216, 218.6, 223, 225.5, 226, 226.3, 226.7, 227.3, 246, 247, 248.2,
16 256, 510, 512, 558, 1102.8, 1174, 1174.5, 1175, 1182.12, 1183, 1187, 1194, 1194.2, 1197, 1197.1,
17 1198, 2441, 2699, and 2802, 3550, 6328, 6404.5. Plaintiff, on behalf of himself and the other
18 Releasing Parties, certifies that they has read the provisions of section 1542 of the Civil Code of
19 California and has consulted with PAGA Counsel regarding that section.

20 19. The Releasing Parties understand and agree that all rights under section 1542 of the
21 Civil Code of California and any similar law of any state or territory of the United States, or of the
22 United States itself, are expressly waived and unconditionally waived by the Releasing Parties as
23 against the Released Parties, and each of them. It is understood and agreed that this waiver of Civil
24 Code section 1542 is unconditional as it affects the Releasing Parties and the Released Parties. Said
25 section reads as follows:

26 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
27 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
28 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE

1 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
2 **DEBTOR OR RELEASED PARTY.**

3 Thus, notwithstanding the provisions of Section 1542 or any provision of law with a comparable
4 effect, and for the purpose of implementing a full and complete release and discharge, the Releasing
5 Parties expressly acknowledge that this Settlement is intended to include in its effect, without
6 limitation, claims and causes of action which the Releasing Parties do not know of or suspects to
7 exist in their favor at the time of execution hereof to the extent that those unknown claims meet the
8 definition of the Released Claims. In furtherance of the Parties' intent, the release in this Agreement
9 shall remain in full and complete effect notwithstanding the discovery or existence of any additional,
10 contrary, or different facts. The Aggrieved Employees will not be deemed to have released any
11 individual, non-PAGA wage and hour claims by virtue of this Settlement.

12 **VI. APPROVAL MOTION OR JOINT STIPULATION**

13 20. The Parties recognize that, in accordance with California Labor Code Section
14 2699(l), court approval is required in the event of a settlement of a PAGA action on a representative
15 basis. But as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, the Parties are not
16 obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain
17 preliminary approval of the PAGA settlement or provide the Aggrieved Employees with the
18 opportunity to object to or opt out of the settlement. (*See also Mendoza vs. Nordstrom, Inc.* (2017)
19 2 Cal.5th 1074, 1079 ["PAGA authorizes a representative action without the need for class
20 certification."]; *Baumann v. Chase Inv. Servs. Corp.* (9th Cir. 2014) 747 F.3d 1117, 1123 ["[A]
21 PAGA suit is fundamentally different than a class action" in that "PAGA has no notice requirements
22 for unnamed aggrieved employees, nor may such employees opt out of a PAGA action."]; *Williams*
23 *v. Sup. Ct.* (2017) 3 Cal.5th 531, 546-547 ["PAGA does not make other potentially aggrieved
24 employees parties or clients of Plaintiffs' counsel, does not impose on a Plaintiff or counsel any
25 express fiduciary obligations, and does not subject a Plaintiff or counsel to scrutiny with respect to
26 the ability to represent a large class."].)

27 21. To comply with the requirements of California Labor Code Section 2699(l), Plaintiff
28 shall file this Stipulation of Settlement and an associated Motion for Approval of PAGA Settlement

1 (the “Approval Motion”) with the Court and shall concurrently submit this Stipulation of Settlement
2 to the LWDA as required by PAGA. PAGA Counsel shall ensure that Counsel for Defendant will
3 have sufficient time to review and comment on the draft Approval Motion, in substantially final
4 form, prior to its being filed with the Court. Defendant shall not oppose the Approval Motion
5 provided it comports with the terms of this Stipulation of Settlement.

6 22. If the Court denies approval of this Settlement due to concerns that the Parties cannot
7 address through non-material or otherwise mutually agreeable modifications of this Stipulation of
8 Settlement, (i) this Settlement shall be null and void; (ii) neither this Stipulation of Settlement nor
9 any of the related negotiations or proceedings shall have any force or effect; (iii) the Parties shall
10 stand in the same position, without prejudice, as if this Settlement had been neither entered into nor
11 filed with the Court; and (iv) the terms and negotiation of this Stipulation of Settlement shall remain
12 subject to Federal Rule of Evidence 408 and California Evidence Code sections 1119 and 1152.
13 Plaintiff and PAGA Counsel understand and agree that this Stipulation of Settlement does not mean
14 that Defendant cannot contest whether this action can go forward on a representative basis in the
15 event the Settlement is not approved by the Court or litigation otherwise resumes (including without
16 limitation on the ground that representative claims would be unmanageable), and Plaintiff and
17 PAGA Counsel agree not to argue otherwise; provided, however, that Plaintiff and PAGA Counsel
18 reserve the right to contend that litigation of the suit on a representative basis would be appropriate
19 independent of this Stipulation of Settlement and do not waive the right to so contend.

20 **VII. ADMINISTERING THE SETTLEMENT AND PAYMENT PLAN**

21 23. The Parties have jointly selected Rust Consulting to serve as the Administrator and
22 verified that, as a condition of appointment, Rust Consulting agrees to be bound by this Stipulation
23 and to perform, as a fiduciary, all duties specified in this Stipulation in exchange for payment of
24 Administration Expenses. The Parties and their Counsel represent that they have no interest or
25 relationship, financial or otherwise, with the Administrator other than a professional relationship
26 arising out of prior experiences administering settlements.

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

4 25. Qualified Settlement Fund. The Administrator shall establish a settlement fund that
5 meets the requirements of a Qualified Settlement Fund (“QSF”) under U.S. Treasury Regulation
6 section 468B-1.

7 26. Administrator Duties. The Administrator has a duty to perform or observe all tasks
8 to be performed or observed by the Administrator contained in this Stipulation or otherwise.

9 27. Within fifteen (15) business days after the entry of Judgment, Defendant will compile
10 a list of all Aggrieved Employees containing the following as to each Aggrieved Employee: (1)
11 name; (2) last known home address and telephone number; (3) number of Eligible Pay Periods; (4)
12 the estimated payment amount assuming all fees and costs sought are awarded; and (5) social
13 security number. Defendant will (a) provide this information to the Settlement Administrator, who
14 will confirm upon request from PAGA Counsel that the amount to be paid to the State of California
15 and Aggrieved Employees equals the Net Penalty Amount; and (b) not provide this information to
16 Plaintiff or PAGA Counsel who understand and agree that they are not entitled to obtain this
17 information as a result of this Stipulation of Settlement. By approving this Stipulation of Settlement,
18 the Court shall be deemed to have authorized and ordered this transmission of information to the
19 Settlement Administrator.

20 28. Defendant shall fund the Gross Settlement Amount within forty-five (45) business
21 days after Court approval and associated entry of the Judgment. The Settlement Administrator shall
22 distribute all payments due under this Settlement (with the exception of the amount allocated to
23 settlement administration costs) within fourteen (14) calendar days after the Effective Date.

24 29. The payment checks for each Aggrieved Employee Share shall be sent to each
25 Aggrieved Employee by U.S. First Class mail to the Aggrieved Employee’s last known home
26 address (updated by the Settlement Administrator as appropriate using measures such as the
27 National Change of Address Database maintained by the United States Postal Service) with
28 directions to the Postmaster to forward the payment checks and return all undeliverable payment

1 checks to the Settlement Administrator. This payment check will be sent with the Settlement Notice.
2 It will be conclusively presumed that an Aggrieved Employee's individual settlement payment
3 check was received if the payment check has not been returned within thirty (30) days of the original
4 mailing of the payment check. The date of the initial mailing of the payment check shall be
5 conclusively determined according to the records of the Settlement Administrator.

6 30. Settlement checks shall remain valid and negotiable for 120 calendar days from the
7 date of mailing and shall state that, if they are not cashed within 120 days from issuance, they will
8 become void. Funds represented by settlement checks returned as undeliverable and those
9 settlement checks remaining un-cashed for more than 120 days after issuance will be tendered to
10 the State Controller's Office, Unclaimed Property Division, in the name of the affected Aggrieved
11 Employee.

12 **VIII. INCREASE IN GROSS SETTLEMENT AMOUNT OR ADJUSTMENT TO**
13 **COVERED PERIOD**

14 31. Based on its records, Defendant has estimated that, as of the date of the mediation,
15 there were approximately 13,100 Pay Periods during the Covered Period. In the event the number
16 of Pay Periods during the Covered Period exceeds 13,100 by more than 10%, or 1,310 Pay Periods,
17 then at Defendant's sole option either (i) the end date for the Covered Period shall be adjusted so
18 that the number of Pay Periods does not exceed 14,410 Pay Periods, or (ii) the Gross Settlement
19 Amount shall be increased equal to the percentage increase in the number of Pay Periods worked
20 by the Aggrieved Employees above 10% (for example, if the number of Pay Periods increases by
21 11%, the Gross Settlement Amount will increase by 1%), and the amounts set forth in Paragraphs
22 15(a) and (b) (the Net Penalty Amount and PAGA Counsel's Fees and Costs) shall be adjusted
23 accordingly. Except for any dollar increase pursuant to the preceding sentence, Defendant will not
24 under any circumstances pay more than the Gross Settlement Amount.

25 **IX. PARTIES' AUTHORITY**

26 32. The signatories hereto hereby represent that they are fully authorized to enter into
27 this Settlement and bind the Parties to the terms and conditions hereof.
28

1 **X. MUTUAL FULL COOPERATION**

2 33. The Parties agree to fully cooperate with each other to accomplish the terms of this
3 Settlement, including, but not limited to, execution of such documents and to take such other action
4 as may reasonably be necessary to implement the terms of this Settlement. The Parties to this
5 Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any
6 other efforts that may become necessary by order of the Court, or otherwise, to effectuate this
7 Settlement and the terms set forth herein. The Parties agree that this Settlement is beneficial and
8 fair, and they will not argue otherwise regardless of any future developments in the law or precedent.
9 As soon as practicable after execution of this Settlement, PAGA Counsel shall, with the assistance
10 and cooperation of Defendant and its counsel, take all necessary steps to secure the approval of this
11 Settlement from and entry of Judgment by the Court.

12 **XI. CONFIDENTIALITY**

13 34. Plaintiff and PAGA Counsel agree that prior to moving for approval of this
14 Settlement, they shall not publicize any terms of this Settlement, other than providing notice to and
15 serving the LWDA with this PAGA Stipulation of Settlement. After filing the Approval Motion
16 and thereafter, Plaintiff and PAGA Counsel shall not publicize the Settlement or the terms thereof
17 via (a) press releases, (b) Internet postings that include the Defendant's name, other information that
18 could identify Defendant in any way such as its location, or the case name or number, or (c)
19 communications with the media. This shall not prohibit PAGA Counsel from discussing this case
20 or any aspect of this Settlement with Plaintiff or any Aggrieved Employee and shall not prohibit
21 PAGA Counsel from in any way disclosing their status as counsel in the case or making objective
22 and truthful reference to the Settlement, or any attorney fee award, in any future pleading in another
23 litigation.

24 **XII. NO PRIOR ASSIGNMENTS**

25 35. Plaintiff represents and warrants that he has not directly or indirectly assigned,
26 transferred, or purported to assign, or transfer to any person or entity any portion of any liability,
27 claim, demand, action, cause of action or rights herein released and discharged by this Stipulation
28 of Settlement.

1 **XIII. NO ADMISSION**

2 36. The Parties expressly recognize that the making of this Stipulation of Settlement does
3 not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
4 Nothing in this Stipulation of Settlement, nor any action taken in implementation thereof, nor any
5 statements, discussions or communications or any materials prepared, exchanged, issued, or used
6 relating to this Settlement, is intended by the Parties to, nor will any of the foregoing constitute, be
7 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
8 investigative, or other forum or proceeding, as evidence of any violation of any federal, state, or
9 local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or
10 in equity. Neither this Stipulation of Settlement nor the resulting entry of Judgment or any other
11 order approving the Settlement shall have any collateral estoppel or other preclusive effect against
12 Defendant, and it shall not in any way establish any liability against Defendant. Plaintiff and PAGA
13 Counsel agree that there shall be no such effect and shall not contend otherwise, and that entry of
14 the Judgment shall be deemed confirmation by the Court that the Judgment has no such effect.
15 Notwithstanding the foregoing, this Stipulation of Settlement may be used in any proceeding in the
16 Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or
17 any orders or judgments of the Court entered into in connection therewith.

18 **XIV. ATTORNEYS' FEES, COSTS AND EXPENSES**

19 37. Except as specifically set forth herein, in particular in Paragraph 16 above, each Party
20 shall bear his/its own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by him/it
21 arising out of the PAGA litigation, and shall not seek reimbursement thereof from any other Party
22 to this Settlement.

23 **XV. ARMS' LENGTH**

24 38. The Parties hereto agree that the terms and conditions of this Settlement are the result
25 of lengthy, intensive, arms-length negotiations between the Parties, that this Settlement is a fair,
26 adequate, and reasonable settlement of the PAGA claim asserted in the Lawsuit.

1 **XVI. ENTIRE AGREEMENT**

2 39. This Stipulation of Settlement is the sole and exclusive agreement with respect to the
3 Released Claims and the resolution of the PAGA claims asserted in the Lawsuit, and this Stipulation
4 of Settlement supersedes all prior agreements, written or oral, between or among the Parties
5 regarding the Released Claims and the resolution of such claims. This Stipulation of Settlement in
6 no way involves, releases, or settles Plaintiff's individual claims, which are subject to a separate
7 settlement and release agreement.

8 **XVII. CAPTIONS AND INTERPRETATIONS**

9 40. Paragraph titles or captions contained herein are inserted as a matter of convenience
10 and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or
11 any provision hereof. Each term of this Settlement is contractual and not merely a recital.

12 **XVIII. MODIFICATION**

13 41. This Settlement may not be amended, changed, altered, or modified, except in
14 writing and signed by the Parties (or their successors-in-interest); provided, however, that PAGA
15 Counsel and Defense Counsel may agree to modifications necessary to address any comments or
16 concerns raised by the Court in connection with court approval of this Settlement, in which event
17 counsel shall represent and warrant that they are authorized to make and agree to such modifications.
18 This Settlement may not be discharged except by performance in accordance with its terms or by a
19 writing signed by the Parties.

20 **XIX. MISCELLANEOUS**

21 42. No rights hereunder may be waived except in writing. The Parties have made such
22 investigation of the facts and the law pertaining to the matters described herein and to this
23 Stipulation of Settlement as they deem necessary, and have not relied, and do not rely, on any
24 statement, promise, or representation of fact or law, made by the other Party, or their agents,
25 employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with
26 regard to the advisability of making and executing this Stipulation of Settlement, or with respect to
27 any such matters that would alter or change the terms of this Stipulation of Settlement. No
28

1 representations, warranties, or inducements have been made to any Party concerning this Stipulation
2 of Settlement other than those expressly set forth or referred to herein.

3 43. This Settlement shall be binding upon and inure to the benefit of the Parties and their
4 respective heirs, trustees, executors, administrators, successors, and assigns.

5 44. This Settlement may be executed in counterparts, and when each Party has signed
6 and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when
7 taken together with other signed counterparts, shall constitute one Settlement, which shall be binding
8 upon and effective as to all Parties. The counterparts may be transmitted electronically (PDF) or by
9 facsimile and may be signed via DocuSign or Adobe Sign.

10 45. This Stipulation of Settlement shall be governed, construed, and interpreted, and the
11 rights of the Parties shall be determined, in accordance with the laws of the State of California,
12 irrespective of the State of California's choice of law principles.

13 46. The Parties have cooperated in the negotiation and preparation of this Stipulation of
14 Settlement. This Stipulation of Settlement shall not be construed against any Party on the basis that
15 the Party, or the Party's counsel, was the drafter or participated in the drafting of this Stipulation of
16 Settlement.

17 47. The Court shall retain jurisdiction to enforce this Stipulation of Settlement pursuant
18 to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction
19 over the PAGA Litigation, and over all Parties and Aggrieved Employees, to the fullest extent
20 necessary to enforce and effectuate the terms and intent of this Stipulation of Settlement.

21 48. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152 or
22 otherwise provided to PAGA Counsel by Defendant in connection with the mediation, other
23 settlement negotiations, or in connection with the Settlement, may be used only with respect to this
24 Settlement, and for no other purpose, and may not be used in any way that violates any existing
25 contractual agreement, statute, or rule of court.

26 49. All notices, demands or other communications between the Parties in connection
27 with this Stipulation will be in writing and deemed to have been duly given as of the third business
28 day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

1 To Plaintiff:

2 TYLER D. KRING,
3 *tkring@kringandchung.com*
4 JEFFREY T. GREEN,
5 *jgreen@kringandchung.com*
6 KRING & CHUNG, LLP
7 38 Corporate Park Irvine, CA 92606-5105

8 To Defendant:

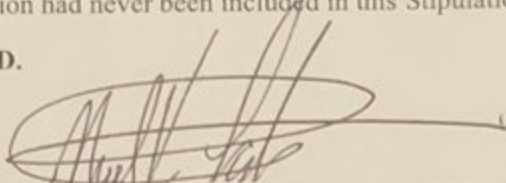
9 JOSEPH D. LEE
10 *joseph.lee@mto.com*
11 MUNGER, TOLLES & OLSON LLP
12 350 South Grand Avenue, 50th floor
13 Los Angeles, California 90071-3426

14 MICHAEL D. THOMAS, State Bar No. 226129
15 *michael.thomas@jacksonlewis.com*
16 Jackson Lewis P.C.
17 200 Spectrum Center Drive, Suite 500
18 Orange County, CA 92618

19 50. In the event that one or more of the provisions contained in this Stipulation shall for
20 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
21 unenforceability shall in no way effect any other provision if Defendant's Counsel and PAGA
22 Counsel, on behalf of the Parties and the Aggrieved Employees, mutually elect in writing to proceed
23 as if such invalid, illegal, or unenforceable provision had never been included in this Stipulation.

24 **IT IS SO STIPULATED AND AGREED.**

25 DATED: February 26, 2024

26 
27 NOEL LATORRE
28 Plaintiff

29 DATED: February 27, 2024

30 KRING & CHUNG, LLP

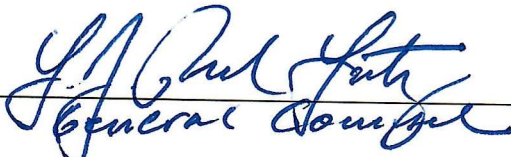
31 By:

32 
33 TYLER D. KRING
34 Attorney for Plaintiff Noel Latorre

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DATED: February 26, 2024

PATRIOT GROUP GLOBAL, INC.

By: 
Its: _____

DATED: February 26, 2024

MUNGER, TOLLES & OLSON LLP

By: 
JOSEPH D. LEE
Attorneys for Patriot Group Global, Inc.