

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Settlement Agreement”) is entered into by and between Plaintiff Victor Barcenas (“Plaintiff”) and Defendant Beshay Foods, Inc. (“Defendant”). (Defendant and Plaintiff are collectively referred to herein as the “Parties” or individually as “Party”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

A. “Action” means the action *Barcenas v. Beshay Foods, Inc.* Case No. CVRI2301510, pending in Superior Court of the State of California, County of Riverside.

B. “Aggrieved Employees” means all individuals who are or previously were employe by Defendant in California and classified as a non-exempt employee at any time during the PAGA Period.

C. “Aggrieved Employee List” means the spreadsheet containing the list of Aggrieved Employees with their social security numbers, last known addresses, and their dates of employment and/or pay periods worked as an Aggrieved Employee during the PAGA period.

D. “Court” means the Superior Court of California, County of Riverside.

E. “Effective Date” means the date on which the Order Granting PAGA Settlement Approval and/or Judgment becomes final. The Order Granting PAGA Settlement Approval and/or Judgment “becomes final” only after the Court grants motion for approval of the PAGA settlement (“PAGA Settlement Approval”) and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting PAGA Settlement Approval and/or Judgment (this time period shall not be less than sixty (60) calendar days after the Court’s Order/Judgment is entered); (ii) the date of affirmance of an appeal of the Order Granting PAGA Settlement Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting PAGA Settlement Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision; but (iv) in no event shall the Effective Date be sooner than April 2, 2025.

F. “Individual PAGA Payment” means the amount to be paid to each of the Aggrieved Employees out of 25% of the PAGA Payment under Labor Code section 2699 with such individual shares to be based on the number of pay periods during which an individual worked as an Aggrieved Employee during the PAGA Period divided by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. 100% of all PAGA penalties will be considered payment of penalties, and Aggrieved Employees will be issued an IRS Form 1099 and will be responsible for payment of any and all taxes that are due as a result

of their PAGA penalty settlement payments.

G. “LWDA” means the California Labor Workforce Development Agency.

H. “Gross PAGA Settlement Amount” means the total sum of \$385,000 for payment of the Administration Costs, Attorneys’ Fees, Attorneys’ Expenses and Costs, and the PAGA Payment. The Gross PAGA Settlement Amount shall be all-in with no reversion to Defendant.

I. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698 *et seq.*

J. “PAGA Payment” means the total amount remaining in the Gross PAGA Settlement Amount after payment of the Attorneys’ Fees, Attorneys’ Expenses and Costs, and Administration Costs. The PAGA Payment shall be allocated under Labor Code section 2699 with 75% of the Section 2699 payment going to the LWDA and 25% to the Aggrieved Employees.

K. “PAGA Period” means the time period from January 3, 2022 to July 22, 2024 unless otherwise defined in Section III(C) herein.

L. “PAGA Released Claims” means the definition provided for in Section III, Paragraph 5 herein.

M. “Parties” means Plaintiff Victor Barcenas and Defendant Beshay Foods, Inc.

N. “PAGA Counsel” means the law firms of Blumenthal Nordrehaug Bhowmik De Blouw LLP and Gomez Trial Attorneys, APLC.

O. “Released Parties” means Defendant and each of its past, present, and future parents, subsidiaries, affiliated companies, agents, managing agents, employees, servants, officers, directors, owners (whether direct or indirect), franchisors, general partners, limited partners, trustees, representatives, shareholders, stockholders, members, mortgagees or ground lessors, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and/or alleged joint employers, temporary staffing agencies, dual employers, potential and/or alleged dual employers, co-employers, potential and/or alleged co-employers, common law employers, contractors, affiliates, service providers, alter-egos, potential and/or alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, dbas, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns and any and all persons and/or entities acting under, by, through or in concert with any of them.

P. “Settlement Administrator” means ILYM Group, Inc.

II. RECITALS

A. On January 3, 2023, Plaintiff served a notice to the LWDA of factual allegations regarding Defendant's alleged wage and hour violations including failure to provide accurate itemized wage statements, failure to properly record and provide legally required meal and rest periods, failure to pay minimum wages, failure to pay overtime wages and sick pay wages, failure to reimburse employees for required expenses, failure to provide wages when due and failure to provide suitable seating.

B. On March 24, 2023, Plaintiff filed a Representative Action Complaint in the Superior Court of the State of California, County of Riverside (*Barcenas v. Beshay Foods, Inc.*, Case No. CVRI2301510) alleging a single cause of action against Defendant for recovery of civil penalties under PAGA based on various alleged California Labor Code violations.

C. On July 22, 2024, the Parties engaged in a mediation session before mediator Steven G. Mehta, Esq. Through arms-length negotiations with the assistance of the mediator, the Parties reached an agreement to settle the Action which led to the signing of a Memorandum of Understanding.

D. Prior to the mediation, the Parties conducted significant investigation and informal discovery of the facts and law. Defendant produced documents relating to employee payroll spreadsheets, its policies, practices, and procedures regarding paying non-exempt employees for all hours worked, overtime, meal and rest period policies, payroll and operations policies and more. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the Parties' positions and to compromise the issues on a fair and equitable basis.

E. As a result of the settlement, the Parties have agreed to fully and finally resolve the PAGA Released Claims alleged in the Action pursuant to this Settlement Agreement.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

A. Non-Admission. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

Nothing in this Settlement Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Settlement Agreement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or 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, by Defendant or any other Released Party. The Parties themselves agree not to introduce, use, or admit this Settlement Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding, as purported 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, or for any other purpose. Notwithstanding the foregoing, this Settlement Agreement may be used in any proceeding before any court that has as its purpose the interpretation, implementation, or enforcement of this Settlement Agreement or any orders or judgments of the Court entered in connection with the Settlement Agreement.

None of the documents produced or created by Defendant or any other Released Party, Plaintiff or the Aggrieved Employees in connection with the claims procedures or claims resolution procedures constitute, and they are not intended to constitute, an admission by Defendant or any other Released Party 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.

Neither this Settlement Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the Action or in any other action or proceeding; provided, however, this shall not prevent this Settlement Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Settlement Agreement.

B. Timing. Within twenty-one (21) days of the Effective Date of this settlement, Defendant shall pay to the Settlement Administrator \$385,000 as the Gross PAGA Settlement Amount, \$15,000 for Plaintiff's respective Individual Settlement (as set forth below), and provide the Aggrieved Employee List to the Settlement Administrator. In no event shall the Effective Date be sooner than April 2, 2025.

C. PAGA Demographics. Defendant has represented that the Aggrieved Employees consist of approximately 1,864 employees who collectively worked 38,100 pay periods during the PAGA Period. Defendant shall provide the number of Aggrieved Employees and pay periods through the PAGA Period and if the number of pay periods stated herein is incorrect by more than 10%, then the Gross PAGA Settlement Amount will be increased proportionately. For example, if the number is 11% higher, the Gross PAGA Settlement Amount will be increased by 1%. In the alternative, Defendant may elect to shorten the PAGA Period to stay within the 10% cushion and therefore no additional payment is required.

D. Payments From the Gross PAGA Settlement Amount. The Parties agree to the following allocations to be paid from the Gross PAGA Settlement Amount:

1. PAGA Payment: The PAGA Payment is the total of the Gross PAGA Settlement Amount, less the payments for the Attorneys' Fees, Attorneys' Expenses, and the Administration Costs. The PAGA Payment shall be paid in full settlement of the PAGA

Released Claims. Should the amount of the PAGA Payment increase or decrease, the amount to be distributed shall be adjusted according to the changes made by the Court. The PAGA Payment will be subject to Court approval consistent with Labor Code § 2699. Upon approval, the PAGA Payment shall be distributed as follows:

- a. The PAGA Payment shall be paid as a Labor Code section 2699 civil penalty payment allocated pursuant to PAGA as follows: 75% of the PAGA Payment will be paid to the LWDA and 25% will be paid to the Aggrieved Employees as their Individual PAGA Payments. Each Individual PAGA Payment shall be based on the number of pay periods each Aggrieved Employee worked during the PAGA Period as a percentage of the total pay periods worked by all Aggrieved Employees during the PAGA Period.
- b. The Parties acknowledge and agree Individual PAGA Payments will be apportioned as 100% penalties. No portion will be considered wages. Accordingly, the Parties acknowledge and agree that Defendant is not responsible for any employer-side taxes in connection with any Individual PAGA Payment under this Settlement Agreement. The Individual PAGA Payments will be reported on IRS Form 1099s and shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages. Aggrieved Employees will be responsible for the payment of any taxes and penalties assessed on the Individual PAGA Payments and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of their Individual PAGA Payment. Should Defendant incur any tax liabilities as a result of Aggrieved Employees action or inaction to appropriately pay taxes, the Aggrieved Employees shall indemnify Defendant.

2. Attorneys' Fees and Attorneys' Expenses: One-Third of the Gross PAGA Settlement Amount, which is presently \$128,333, shall be paid to PAGA Counsel for payment of Attorneys' Fees, and up to \$25,000 out of the Gross PAGA Settlement Amount shall be paid to PAGA Counsel for Attorneys' Expenses as set forth in the clients' billing statement (pursuant to Declarations by PAGA Counsel) in prosecuting the PAGA claims. Defendant shall not oppose Plaintiff's request for Attorneys' Fees and Attorneys' Expenses in these amounts. In the event that Court approval is required and a payment of less than One-Third of the Gross PAGA Settlement Amount in Attorneys' Fees or \$25,000 in Attorneys' Expenses to PAGA Counsel is approved, the unawarded difference will be added to the PAGA Payment and not to PAGA Counsel or the Defendant. This payment will be reported on IRS Form 1099 issued to PAGA Counsel. Except as set forth herein, each party shall bear their own costs and fees of the Action.

3. Administration Costs: A Settlement Administrator shall be selected after receipt of bids and shall be mutually agreed to by the Parties. Administration costs shall not exceed the estimate of the Settlement Administrator to administrate the settlement.

Administration Costs shall include the cost of the Settlement Administrator selected by the Parties to administer the settlement in the amount of up to \$13,500. In the event that Court approval of these payments is required and a payment of less than \$13,500 is approved, or if the actual cost to administer the settlement is less than \$13,500, the difference will be added to the PAGA Payment.

4. Representative PAGA Release. In his capacity as a private attorney general “aggrieved employee” acting on behalf of himself, the State of California and the Aggrieved Employees, and in consideration of the PAGA Payment and the payment to PAGA Counsel for Attorneys’ Fees and Attorneys’ Expenses, upon the Effective Date, Plaintiff shall be deemed to have fully, finally, and forever released, relinquished and will release all claims for PAGA penalties pursuant to PAGA for the PAGA Released Claims during the PAGA Period.

E. PAGA Released Claims.

1. Upon full funding of the Gross PAGA Settlement Amount, the Released Parties shall be entitled to a release from the State of California for any “PAGA Released Claims”. “Released PAGA Claims” means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and/or the PAGA Notices submitted by Plaintiff to the LWDA, which occurred during the PAGA Period, including failure to pay minimum wages, rounding, failure to pay overtime, failure to pay sick and vacation wages, failure to provide compliant meal and rest periods, failure to pay premiums for non-compliant meal and rest breaks, waiting time penalties, failure to keep accurate records, inaccurate wage statements, failure to timely pay wages, failure to reimburse expenses, failure to provide suitable seating, and penalties pursuant to the Private Attorneys General Act of 2004, Labor Code sections 201, 202, 203, 204 et seq., 210, 218, 221, 226, 226.7, 227.3, 246 et seq., 510, 512, 558, 1194, 1197, 1197.1, 1198, 2698, 2699 et seq., 2699.3, 2699.5, 2802, the applicable Industrial Welfare Commission Orders and California Code of Regulations, Title 8, sections 11040, 11050 and 1070, and all other claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff’s pre-filing letter to the LWDA. The Released PAGA Claims does not release any class claims or any PAGA Group members’ individual claim for wages or any claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period.

2. Upon full funding of the Gross PAGA Settlement Amount, Plaintiff releases and discharges the Released Parties from all claims for the Released PAGA Claims, including PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, and/or the PAGA Notices submitted by Plaintiff to the LWDA, which occurred during the PAGA Period, including failure to pay minimum wages, rounding, failure to pay overtime, failure to pay sick and vacation wages, failure to provide compliant meal and rest periods, failure to pay premiums for non-compliant meal and rest breaks, waiting time penalties, failure to keep accurate records, inaccurate wage statements, failure to timely pay wages, failure to reimburse expenses, failure to provide suitable seating, and

penalties pursuant to the Private Attorneys General Act of 2004, Labor Code sections 201, 202, 203, 204 et seq., 210, 218, 221, 226, 226.7, 227.3, 246 et seq., 510, 512, 558, 1194, 1197, 1197.1, 1198, 2698, 2699 et seq., 2699.3, 2699.5, 2802, the applicable Industrial Welfare Commission Orders and California Code of Regulations, Title 8, sections 11040, 11050 and 1070, and all other claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, claims that cannot be released as a matter of law, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

3. Pursuant to a separate Confidential Settlement Agreement, in addition to the Gross PAGA Settlement Amount, Defendant has agreed to separately pay, Plaintiff \$15,000 ("Individual Settlement Amount"). The Individual Settlement Amount will be paid by the Settlement Administrator. The Individual Settlement Amount is made in exchange for a general release of all individual claims arising out of employment with Defendant, including a waiver of any unknown claims pursuant to California Civil Code section 1542.

F. Circular 230 Disclaimer.

Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

1. No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);

2. The Acknowledging Party (i) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (ii) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (iii) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and

3. No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this

Agreement.

G. Covenants and Representations by Plaintiff and PAGA Counsel.

1. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

2. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he had the opportunity to consult with her attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

3. Plaintiff further agrees to seek a Judgment in the Action on the PAGA Released Claims.

H. No Publicity. Neither Plaintiff nor PAGA Counsel shall issue a press release, hold a press conference, or otherwise publicize the settlement other than in documents submitted to the Court. Plaintiff and PAGA Counsel agree to decline to respond to any media inquiries concerning the Settlement Agreement.

I. Court Approval of the PAGA Payment. Subject to Defendant's review and approval prior to filing, PAGA Counsel shall be responsible for preparing and filing a Motion for Approval of the PAGA Payment with the proposed Judgment ("Motion"). PAGA Counsel will provide Defendant's counsel with an opportunity for review and comments at least five business days before filing the Motion. The Motion shall also be served on the LWDA when filed with the Court. PAGA Counsel shall also submit this Agreement with the LWDA, pursuant to Labor Code Section 2699(1)(2).

J. Court Approval of the PAGA Settlement. The Settlement Agreement is contingent upon the approval by the Court. If the Court should fail to approve this Settlement Agreement in the form agreed to by the Parties, the Parties agree to coordinate efforts to address the Court's questions or concerns. If after the Parties make at least three (3) good faith efforts, the Court does not approve this Settlement Agreement, or if appellate review is sought and on such review the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement are not approved or is materially modified or reversed or found to be invalid and the Parties in good faith do not believe that it would be possible to make non-material modifications that would address any concerns raised by the Court, then each of the Parties by and through Counsel shall have the right within ten (10) days of written notice thereof to elect to terminate the Settlement Agreement, in which event it shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

IV. ADMINISTRATION OF SETTLEMENT

A. After the execution of this Settlement Agreement, Plaintiff shall file the Motion and will submit the Motion and this Settlement Agreement on the LWDA consistent with Labor Code § 2699(1)(2).

B. Settlement Administrator will administer the settlement and shall be paid for Administration Costs, which are estimated to be up to \$13,500. Defendant will provide the necessary information about the Aggrieved Employees to the Settlement Administrator within fourteen (14) of the approval of the PAGA settlement by the Court.

C. Within fourteen (14) days after receipt of the Gross PAGA Settlement Amount from Defendant, the Settlement Administrator will issue to each Aggrieved Employee a check for their Individual PAGA Payment at their last known home address along with an explanatory letter which will be mutually approved by the parties. Checks will remain negotiable for one hundred eighty (180) days. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, Social Security number, phone number, credit reporting and social media of the Aggrieved Employee involved and will then perform a re-mailing. If an Aggrieved Employees' check is not cashed within 120 days after its first mailing to the Aggrieved Employees the Settlement Administrator shall send the affected Aggrieved Employees notice informing them that unless their check is cashed in the next 60 days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. All checks not cashed within 180 days of payment shall be paid to the State Controller Unclaimed Property Fund in the name of the individual who failed to cash their check, subject to Court approval and the Aggrieved Employees shall remain bound by the Settlement. The Individual PAGA Payments are 100% penalties and shall be reported using IRS tax form 1099.

D. Within fourteen (14) days after receipt of the Gross PAGA Settlement Amount from Defendant, the Settlement Administrator will pay the Attorneys' Fees, the Attorneys' Expenses, the Administration Costs, \$15,000 for Plaintiff's Individual Settlement, and the portion of the PAGA Payment allocated to the LWDA from the Gross PAGA Settlement Amount.

E. The Settlement Administrator will provide an accounting under oath to the parties of the amounts paid out.

F. Defendant makes no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

A. Drafting. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

B. No Impact on Benefit Plans. Neither the Settlement Agreement nor any amounts paid to Plaintiff or any Aggrieved Employee under the Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plans, policy, or bonus program. Defendant retains the right, if necessary, to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

C. Successors. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

D. Costs and Fees. The Parties shall each bear their own costs, attorneys' fees, mediator fees, and other fees incurred in connection with this Settlement Agreement and in connection with the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

E. Authority. Defendant represents and warrants that the undersigned has the authority to act on behalf of Defendant and to bind Defendant to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the capacity to act on her own behalf and on behalf of all who might claim through her to bind them to the terms and conditions of this Settlement Agreement.

F. Governing Law. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Riverside County, California and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Riverside.

G. Complete Agreement. The Parties acknowledge and represent that this Settlement Agreement contains the entire understanding between them with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings between them, written and oral, with respect to the subject matter hereof. This Settlement Agreement cannot be amended or modified except by a writing signed by the Parties hereto or their successors-in-interest.

H. Nullification of Settlement Agreement. In the event that: (i) the Court does not

approve the settlement of the Action as provided herein; or (ii) the settlement of the Action 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.

I. Judgment and Continued Jurisdiction. After approval of this settlement, the Parties agree that the Court shall retain continuing jurisdiction over this case under CCP Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this agreement by all parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect. In the event that the Court does not approve the Settlement, or if the final order and judgment is reversed on appeal, then there shall be no Effective Date and this Agreement shall become null and void.

J. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their Counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement of the Action. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement of the Action, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the mediator, Steve Mehta, to resolve such disagreement.

K. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, this Agreement may be executed in one or more counterparts by facsimile, electronic signature, 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. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

M. 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.

N. 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.

O. Severability. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable after Final Approval of this Settlement Agreement, the remaining portions of this Settlement 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 Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

P. 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.

Q. 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.

R. 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 and receive approval from the Court. Plaintiff's counsel will prepare and deliver to Defendant's counsel for review prior to filing the Motion for Approval.

S. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, 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.

T. Denial of Liability. The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant or an admission or concession regarding the validity of the claims in the Action. Nothing in this Settlement Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course 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 or lack of 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

Settlement Agreement may be used in any proceeding in any court that has as its purpose the interpretation, implementation, or enforcement of the Settlement Agreement or any orders or judgments of the Court entered into in connection therewith.

U. No Admission of Liability or Wrongdoing by Defendant. Defendant contends that all of their employees were compensated in compliance with the law, and that their conduct was not willful with respect to any alleged failure to pay any wages or penalties. Defendant has denied, and continue to deny, each of the claims and contentions alleged in the Action. Defendant has asserted and continue to assert defenses thereto and have expressly denied and continue to deny any wrongdoing or legal liability arising out of any of the facts or conduct alleged in the Action. Neither this Settlement Agreement, nor any action taken to carry out the terms of this Settlement Agreement, shall ever be construed as, offered, admitted, received or deemed to be evidence in any civil, criminal, administrative, or other proceeding against Defendant or any of the Released Parties, or may be used as an admission, concession, or indication by or against Defendant of any fault, wrongdoing, or liability whatsoever. The Total Settlement Amount, 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 Total Settlement and this Agreement or to support a defense of res judicata, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense as to the claims being released in this Agreement or the PAGA Settlement Agreement).

V. Waiver of Right to Appeal. Provided that the Judgment is consistent with the terms and conditions of the Settlement Agreement, Plaintiff and Defendant, inclusive, hereby waive any and all rights to appeal in connection with any issue in the Judgment, including, but not limited to, all rights to any post-judgment proceeding and/or appellate proceeding, such as a motion to vacate or set-aside judgment, a motion for new trial, and any extraordinary writ, and the Judgment will become final and non-appealable at the time it is entered.

W. Stay of Litigation. The Parties agree that the continuing litigation of the Action shall be stayed and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this Settlement Agreement by all Parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

X. Confidentiality. Plaintiff and PAGA Counsel agree not to file a press release regarding the settlement, respond to press/media inquiries regarding the settlement (except to refer the person inquiring to the court file), or otherwise publicize or divulge to any other individual or entity the terms of this settlement, the amount of this settlement, or the negotiations that resulted in this settlement. This provision does not apply to court filings, nor does this provision apply to any needed disclosures by Plaintiff or PAGA Counsel to their accountants.

Y. No Tax or Legal Advice. The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Plaintiff, PAGA Counsel, and Aggrieved Employees made under this Agreement, and that Plaintiff, PAGA Counsel, and Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released

Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any recipient of a disbursement under this agreement, such recipient assumes all responsibility for the payment of such taxes.

Z. Court Filings. The Parties agree not to object to any Court filings consistent with this Settlement Agreement.

AA. 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.

BB. No Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

CC. 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.

[Signature Page Follows]

IN WITNESS THEREOF, the Parties each acknowledge that he/she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: 01/28/2025



Victor (Jan 28, 2025 12:11 PST)

VICTOR BARCENAS

DEFENDANT:

Dated: _____

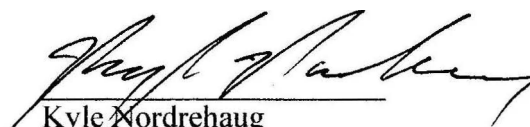
BESHAY FOODS, INC.

By: _____

APPROVED AS TO FORM AND CONTENT:

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

Dated: 1/28/25

By: 

Kyle Nordrehaug
ATTORNEYS FOR PLAINTIFF

GOMEZ TRIAL ATTORNEYS, APLC

Dated: 1/28/2025

By: 

JOHN GOMEZ
EMILIA ARUTUNIAN
ATTORNEYS FOR PLAINTIFF

MUSICK PEELER & GARRETT LLP

Dated: _____

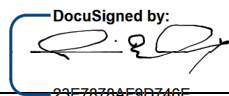
By: _____
BETH KAHN
MATTHEW RICHARDSON
ATTORNEYS FOR DEFENDANT

IN WITNESS THEREOF, the Parties each acknowledge that he/she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: _____
VICTOR BARCENAS

DEFENDANT:

Dated: 1/23/2025
BESHAY FOODS, INC.
By: _____


APPROVED AS TO FORM AND CONTENT:

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

Dated: _____ By: _____
KYLE R. NORDREHAUG
ATTORNEYS FOR PLAINTIFF

GOMEZ TRIAL ATTORNEYS, APLC

Dated: _____ By: _____
JOHN GOMEZ
EMILIA ARUTUNIAN
ATTORNEYS FOR PLAINTIFF

MUSICK PEELER & GARRETT LLP

Dated: 1/24/25 By: *Matthew Richardson*
BETH KAHN
MATTHEW RICHARDSON
ATTORNEYS FOR DEFENDANT