

Kane Moon (SBN 249834)
Allen Feghali (SBN 301080)
Charlotte Mikat-Stevens (SBN 327047)
Hyunjin Kim (SBN 345518)
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Attorneys for Plaintiffs
JOSE BAHENA and ROCIO JUAREZ RUIZ

Damion D. D. Robinson (State Bar No. 262573)
E-mail: dr@robinsonmarkevitch.com
David Markevitch (State Bar No. 256163)
E-mail: dm@robinsonmarkevitch.com
ROBINSON MARKEVITCH LLP
8430 Santa Monica Boulevard, Suite 200
West Hollywood, CA 90069
Tel. (213) 757-7778

Attorneys for Defendant
ATLANTIC SOLUTIONS GROUP, INC. d/b/a EMPIRE WORKFORCE SOLUTIONS

[Additional Counsel listed on following page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN

JOSE BAHENA, individually, and on behalf of
all others similarly situated,

Plaintiff,

vs.

PFLUG PACKAGING & FULFILLMENT,
INC.; EMPIRE WORKFORCE SOLUTIONS;
and DOES 1 through 10, inclusive,

Defendants

Case No.: STK-CV-UOE-2023-1617

REPRESENTATIVE ACTION

[Hon. Barbara Kronlund, Dept. 10D]

PAGA SETTLEMENT AGREEMENT

Complaint filed: February 22, 2023
Trial date: Not set

1 ROGER J. BROTHERS, SBN 118622
rbrothers@brotherssmithlaw.com
2 HORACE W. GREEN, SBN 115699
hgreen@brotherssmithlaw.com
3 STEFANO ABBASCIANO, SBN 277680
sabbasciano@brotherssmithlaw.com
4 **BROTHERS SMITH LLP**
2033 N. Main Street, Suite 720
5 Walnut Creek, California 94596
Telephone: (925) 944-9700
6 Facsimile: (925) 944-9701

7 *Attorneys for Defendant and Cross Complainant*
PFLUG PACKAGING & FULFILLMENT, INC.

8 **MORGAN, LEWIS & BOCKIUS LLP**
9 Brian D. Berry, Bar No. 229893
Kassia Stephenson, Bar No. 336175
10 One Market, Spear Street Tower
San Francisco, CA 94105-1596
11 Tel: +1.415.442.1000
Fax: +1.415.442.1001
12 brian.berry@morganlewis.com
kassia.stephenson@morganlewis.com

13 *Attorneys for Defendant*
14 TESLA, INC. f/k/a TESLA MOTORS, INC.

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Jose Bahena (“Plaintiff Bahena”) and Rocio Juarez Ruiz (“Plaintiff Ruiz”) (together, “Plaintiffs”), on the one part, and Defendant Atlantic Solutions Group, Inc. d/b/a Empire Workforce Solutions (“Defendant Empire”), Defendant Pflug Packaging & Fulfillment, Inc. (“Defendant Pflug”), Defendant Tesla, Inc. f/k/a Tesla Motors, Inc. (“Defendant Tesla”), and Stratosphere Quality, LLC (“Stratosphere”) (together, Defendant Empire, Defendant Pflug, Defendant Tesla, and Stratosphere are hereinafter referred to as “Defendants”), on the other. The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1. “Actions” means: (i) Plaintiff Bahena’s lawsuit alleging wage and hour violations against Defendant Empire captioned *Bahena v. Pflug Packaging & Fulfillment, Inc., and Empire Workforce Solutions*, Case No. STK-CV-UOE-2023-1617, initiated on February 22, 2023 and pending in Superior Court of the State of California, County of San Joaquin; and (ii) Plaintiff Ruiz’s lawsuit alleging wage and hour violations against Defendants Empire and Tesla captioned *Ruiz v. Tesla, Inc. dba Tesla Motors, Inc., and Atlantic Solutions Group Inc.*, Case No. CIVSB2132323, initiated on November 22, 2021, dismissal without prejudice currently pending in Superior Court of the State of California, County of San Bernardino. For purposes of Settlement, the Parties requested that the Court consolidate the Actions under the above-captioned matter by way of a Second Amended Representative Action Complaint.

1.2. “Administrator” means Simpluris, the neutral entity the Parties have agreed to appoint to administer the Settlement based on a competitive bidding process.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Maximum Settlement Amount, and in accordance with the Administrator’s bid submitted to the Court in connection with approval of the Settlement, for its fees and costs, including, without limitation, printing, issuance of checks, processing, and mailing.

1.4. “Aggrieved Employee” or “PAGA Group Member” means all persons who worked for Defendant Empire in California as an hourly-paid or non-exempt employee at any time

during the PAGA Period.

- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant Empire’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Period Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Approval Order” means the Court’s Order granting approval of PAGA Settlement.
- 1.8. “Court” means the Superior Court of California, County of San Joaquin.
- 1.9. “Defense Counsel” means the attorneys of Robinson Markevitch LLP, of Morgan, Lewis & Bockius LLP, and of Dentons Bingham Greenebaum LLP.
- 1.10. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Approval Order; and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.
- 1.11. “Individual PAGA Payment” means an Aggrieved Employee’s pro-rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods the individual worked as an Aggrieved Employee during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Approval Order.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under California Labor Code § 2699(i).
- 1.14. “LWDA PAGA Payment” means the seventy-five percent (75%) of the PAGA Penalties paid to the LWDA under California Labor Code § 2699(i).
- 1.15. “Maximum Settlement Amount” means \$2,941,090.00, which is the total amount Defendant Empire agrees to pay under the Settlement, except as provided below under Paragraph 8 of this Agreement. The Maximum Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Representative Enhancement Payments, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and

the Administration Expenses Payment.

1.16. “Net Settlement Amount” means the Maximum Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, the PAGA Representative Enhancement Payments, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.17. “Operative Complaint” means Plaintiffs’ Second Amended Representative Action Complaint that was filed in this Court on November 26, 2024, which consolidated Plaintiffs’ Actions pursuant to the Court’s Order entered November 15, 2024, regarding Stipulation for Leave to File a Second Amended Complaint to Consolidate Actions for Settlement Purposes.

1.18. “PAGA” means the Private Attorneys General Act (Cal. Lab. Code §§ 2698, *et seq.*).

1.19. “PAGA Counsel” means Plaintiffs’ attorneys of Moon Law Group, PC, including Kane Moon, Allen Feghali, Charlotte Mikat-Stevens, and Hyunjin Kim.

1.20. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and actual costs, respectively, incurred to prosecute the Actions.

1.21. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant Empire for at least one day during the PAGA Period.

1.22. “PAGA Notice” means Plaintiff Bahena’s February 19, 2023 letter to the LWDA, with certified mail service on Defendant Empire and Defendant Pflug, Plaintiff Bahena’s January 22, 2025 letter to the LWDA, with certified mail service on Defendant Empire and Defendant Pflug, and Plaintiff Ruiz’s November 11, 2021 letter to the LWDA, with certified mail service on Defendant Empire and Defendant Tesla, providing timely notice of the alleged Labor Code violations pursuant to California Labor Code § 2699.3(a). The Parties agree that for purposes of consolidating Plaintiffs’ Actions, it is unnecessary to submit any further amended PAGA Notice.

1.23. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Maximum Settlement Amount, allocated twenty-five percent (25%) to the Aggrieved

Employees and seventy-five percent (75%) to the LWDA in settlement of the Released PAGA Claims.

1.24. “PAGA Period” means the period from June 23, 2020, through October 6, 2024.

1.25. “PAGA Representative” means either and/or both Plaintiff Bahena and Plaintiff Ruiz.

1.26. “PAGA Representative Enhancement Payment” means the amount allocated to each Plaintiff in recognition for their role, service, and risks undertaken as the PAGA Representatives of the State of California in their respective Actions, as well as compensation for Plaintiff’s General Release of claims and waiver of Section 1542 rights, as described below under Paragraph 5.1 of this Agreement.

1.27. “Released PAGA Claims” means the claims being released as described below under Paragraph 5.2 of this Agreement.

1.28. “Released Parties” means: Defendants and their Co-Employers, directors, joint employers, and clients, and all their respective parents, subsidiaries, affiliates, officers, directors, employees, agents, representatives, insurers, shareholders, partners, members, managers, predecessors, successors, and assigns.

1.29. “Co-Employers” means: All of Defendant Empire’s clients where any of the PAGA Group Members were assigned to work by Defendant Empire at any time during the PAGA Period, including, but not limited to: Tesla, Inc.; Pflug Packaging & Fulfillment, Inc.; Stratosphere Quality, LLC; National Retail Systems, Inc.; National Retail Transportation, Inc.; Lexmont Logistics; Valley Fine Foods, LLC incorrectly named as Valley Fine Foods Company, LLC; and American International Industries, Inc.

1.30. “Settlement” means the disposition of the Actions effected by this Agreement, as identified under Paragraph 2.2 of this Agreement and solely with respect to the Released PAGA Claims described under Paragraph 5.2 of this Agreement, and the Judgment.

2. RECITALS.

2.0. On February 22, 2023, Plaintiff Bahena commenced his Action by filing a Class Action Complaint alleging causes of action against Defendant Empire and Defendant Pflug for:

(1) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2)

Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1994 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7]; (5) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]. On June 20, 2023, Plaintiff Bahena filed a First Amended Class and Representative Action Complaint to allege a ninth cause of action as follows: (9) Civil Penalties under PAGA [Cal. Lab. Code §§ 2698, et seq.]. After Plaintiff Bahena initiated his Action, Defendant Empire and Defendant Pflug provided a copy of an arbitration agreement purportedly signed by Plaintiff Bahena, which did not explicitly permit arbitration on a class-wide basis. Accordingly, Plaintiff Bahena sought dismissal of his individual and class allegations, which the Court granted by way of an Order entered on December 7, 2023.

2.1. On November 22, 2021, Plaintiff Ruiz commenced her Action by filing a Class Action Complaint alleging causes of action against Defendants Tesla and Empire for: (1) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197]; (2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1994 and 1198]; (3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7]; (5) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802]; (6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]. On March 11, 2022, Plaintiff Ruiz filed a First Amended Class Action and Representative Action Complaint to allege a ninth cause of action as follows: (9) Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. On April 22, 2022, Defendants Tesla and Empire removed the Action to the United States District Court for the Central District of California (Case No. 5:22-cv-00693-FMOKK). On September 19, 2022, Plaintiff Ruiz filed a second

1 amended complaint asserting only a representative PAGA claim. On July 27, 2023, the
2 federal Court remanded Plaintiff Ruiz's action to the Superior Court for the County of
3 San Bernardino. On October 9, 2023, Plaintiff Ruiz initiated a demand for arbitration
4 with JAMS regarding her individual claims pursuant to a joint stipulation which also
5 agreed to stay the non-individual PAGA claims pending arbitration. The arbitration
6 matter was continued pending mediation results.

7 2.2. The following lawsuits involving PAGA claims were also filed by other plaintiffs
8 against Defendant Empire and certain Co-Employers:

9 2.2.1. *Francisco Alvarez v. National Retail Systems, Inc., et al.*, San Bernardino County
10 Superior Court, case no. CIVSB2200676, and related JAMS arbitration proceeding
11 reference no. 5230000151.

12 2.2.2. *Alexi Barahona v. Atlantic Solutions Group, Inc., et al.*, Los Angeles County Superior
13 Court, case no. 21STCV46859.

14 2.2.3. *Maricruz Murillo v. Empire Workforce Solutions, et al.*, Orange County Superior Court,
15 case no. 30-2022-01253133-CU-WT-CJC, and related JAMS arbitration proceeding
16 reference no. 1200060452.

17 2.2.4. *Blanka Rivera v. Legendary Staffing, Inc., et al.*, Solano County Superior Court, case no.
18 CU23-01485.

19 2.2.5. *Jonathan O. Sanchez v. Empire Workforce Solutions, et al.*, Los Angeles County
20 Superior Court, case no. 22STCV34832, and related JAMS arbitration proceeding
21 reference no. 5220003214.

22 2.3. Defendants deny the allegations in the Actions, deny any failure to comply with the laws
23 identified in the Actions, and deny any and all liability for the causes of action alleged in
24 the Actions. Plaintiffs maintain their allegations have merit. Notwithstanding the
25 foregoing, the Parties have agreed to settle, in recognition of the substantial risks, duration,
26 and costs associated with continued litigation.

27 2.4. For purposes of Settlement, the Parties agreed to cooperate in consolidating the Actions
28 under Plaintiff Bahena's Action so that Settlement approval can be sought in a single

venue, and further that the Second Amended Representative Action Complaint that was filed in this Court on November 26, 2024 constitutes Plaintiffs' operative complaint (the "Operative Complaint"). Plaintiff Ruiz's Request for Dismissal of her Action in the Superior Court of the State of California, County of San Bernardino was filed on November 27, 2024.

2.5. Pursuant to California Labor Code § 2699.3(a), Plaintiff Bahena gave timely written notice of his allegations against Defendant Empire and Defendant Pflug by online submission of his PAGA Notice to the LWDA, with certified mail service on Defendant Empire and Defendant Pflug, and paying the required filing fee.

2.6. Pursuant to California Labor Code § 2699.3(a), Plaintiff Ruiz gave timely written notice of her allegations against Defendant Empire and Defendant Tesla by online submission of her PAGA Notice to the LWDA, with certified mail service on Defendant Empire and Defendant Tesla, and paying the required filing fee.

2.7. On March 6, 2024, Defendant Empire and Plaintiffs participated in an all-day mediation presided over by Steven Rottman, Esq., which, through extended settlement negotiations, led to a binding Memorandum of Understanding of Settlement ("MOU") that was fully executed by Plaintiffs and Defendant Empire on October 22, 2024. Ultimately, the Parties have executed this Agreement to settle the Action.

2.8. Prior to mediation, Plaintiffs obtained, through informal but extensive discovery, information sufficient to meaningfully evaluate the claims at issue in the Actions, including Plaintiff Bahena's personnel file, applicable written documents regarding Defendant Empire's wage and hour policies and practices in effect during the PAGA Period, estimated numbers of Aggrieved Employees and PAGA Pay Periods from Defendant Empire and Stratosphere, and a randomized sample of time and corresponding payroll records for Aggrieved Employees.

3. MONETARY TERMS.

3.0. Maximum Settlement Amount. Except as otherwise provided by the Escalator Clause stated below under Paragraph 8 of this Agreement, Defendant Empire promises to pay

\$2,941,090.00 and no more as the Maximum Settlement Amount. Defendant Tesla and Stratosphere collectively agree to contribute no more than \$45,300.74 to the Maximum Settlement Amount (the “Ruiz Contribution”), and the Ruiz Contribution shall be satisfied in full by Stratosphere. Defendant Pflug agrees to contribute no more than \$175,000.00 to the Maximum Settlement Amount (the “Pflug Contribution”). Defendant Empire has no obligation to pay the Maximum Settlement Amount prior to the deadline stated below in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Maximum Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Maximum Settlement Amount will revert to Defendants.

3.1. Payments from the Maximum Settlement Amount. The Administrator will make and deduct the following payments from the Maximum Settlement Amount, in the amounts finally approved and as specified by the Court in the Approval Order:

3.1.1. To Plaintiffs. A PAGA Representative Enhancement Payment to Plaintiffs of not more than \$15,000.00, each, in addition to any Individual PAGA Payment that Plaintiffs are entitled to receive as Aggrieved Employees. As part of the motion for approval of this Settlement, Plaintiffs will seek Court approval for the PAGA Representative Enhancement Payment. If the Court approves a PAGA Representative Enhancement Payment amount that is less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the PAGA Representative Enhancement Payment, using IRS 1099 Forms, within fourteen (14) calendar days from the later of Defendants’ first installment payment of the Maximum Settlement Amount or the Court’s Approval Order. Plaintiffs will separately receive any Individual PAGA Payments to which Plaintiffs are entitled to as Aggrieved Employees pursuant to the distribution schedule described in Paragraph 4.4 of this Agreement. Plaintiffs assume full responsibility and liability for any taxes owed on the PAGA Representative Enhancement Payment.

3.1.2. To PAGA Counsel. A PAGA Counsel Fees Payment of not more than one-third of the

Maximum Settlement Amount (which is currently estimated to be \$980,363.33) and a PAGA Counsel Litigation Expenses Payment of not more than \$32,000.00. Defendants will not oppose requests for these payments as supported by a declaration from PAGA Counsel and provided that the requests do not exceed these amounts. As part of the motion for approval of this Settlement, Plaintiffs and/or PAGA Counsel will file a motion for any PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment amounts that are less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Released Parties shall have no liability to Plaintiffs, PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment, and all such payments shall be included in the Maximum Settlement Amount. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.1.3. To the Administrator. Subject to court approval, the Administrator will be paid from the Maximum Settlement Amount for its fees and costs, including, without limitation, printing, issuance of checks, processing, translation of the employee notices, and mailing. Based on the results of a competitive bidding process, the Parties estimate the Administration Expenses Payment for a five-year administration will not exceed \$74,802.00, except for a showing of good cause and as approved by the Court. To the extent the actual amount of Administration Expenses is less or the Court approves payment less than \$74,802.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.1.4. To the LWDA and Aggrieved Employees. PAGA Penalties to be paid from the

Maximum Settlement Amount, after deducting the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, the PAGA Representative Enhancement Payments, and the Administration Expenses Payment. PAGA Penalties shall be allocated as: (i) 75% (estimated to be no less than \$1,367,943.50) to the LWDA PAGA Payment; and (ii) 25% (estimated to be no less than \$455,981.17) to Individual PAGA Payments.

3.1.4.1. Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., the Net Settlement Amount) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. Individual PAGA Payments shall be allocated 100% as penalties for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms, which will be issued to Aggrieved Employees with distribution of their Individual PAGA Payments. Defendants shall bear no liability for any tax obligations arising from the Individual PAGA Payments.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.0. Aggrieved Employee Pay Periods. Based on a review of their records, Defendant Empire estimates that, as of the date of mediation, there are 40,000 Aggrieved Employees who worked a cumulative total of 626,218 PAGA Pay Periods during the PAGA Period.

4.1. Aggrieved Employee Data. Within thirty (30) calendar days of the Approval Order, Defendant Empire will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose,

1 and restrict access to the Aggrieved Employee Data to Administrator employees who need
2 access to the Aggrieved Employee Data to effect and perform under this Agreement.
3 Defendant Empire has a continuing duty to immediately notify PAGA Counsel if they
4 discover that the Aggrieved Employee Data omitted employee identifying information and
5 to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as
6 reasonably feasible. Without any extension of the deadline by which Defendant Empire
7 must send the Aggrieved Employee Data to the Administrator, Defendant Empire and
8 Plaintiffs, and their respective counsel, will expeditiously use best efforts, in good faith, to
9 reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved
10 Employee Data.

11 4.2. Funding of Maximum Settlement Amount. Except for the Ruiz Contribution of
12 \$45,300.74 and the Pflug Contribution of \$175,000.00 to the Maximum Settlement
13 Amount, which Stratosphere and Defendant Pflug will submit, respectively, to the
14 Administrator within 30 days following the Approval Order, Defendant Empire shall fund
15 the Maximum Settlement Amount by transmitting the funds into a Qualified Settlement
16 Fund (“QSF”) established and maintained by the Administrator, in full no later than March
17 3, 2030. Funding shall be paid in monthly installments of \$50,000.00 on or by the third
18 Monday of every month, unless the payment date falls on a California State or Federal
19 holiday, in which case payment will be made on the following business day, until the
20 Maximum Settlement Amount is paid in full. The foregoing schedule does not preclude
21 Defendant Empire from paying larger monthly installments or full funding before March
22 3, 2030. As a showing of good faith, Defendant Empire’s first installment was due and
23 paid by November 18, 2024. Should the Court deny settlement approval outright or
24 otherwise condition approval on a material change to Settlement, all funds paid by
25 Defendants into the QSF shall be returned, except that Defendant Empire agrees to be
26 responsible for all prorated administration costs incurred to that point up to \$20,000.00.

27 4.2.1. Funding of Maximum Settlement Amount by Defendants Other Than Defendant
28 Empire. To the extent Co-Employers other than Defendant Empire have express

obligations, whether by way of this Agreement or separate agreement, to pay any portion of the Maximum Settlement Amount, such sums shall be paid directly into the QSF towards Defendant Empire's monthly installment payments. Such payment(s) shall be made no later than March 3, 2030. The Administrator shall give notice to all counsel of complete payment of the sums due under this Agreement by each defendant within fourteen (14) days of receipt of payment.

4.3. Payments from the Maximum Settlement Amount.

4.3.1. First Disbursement: Within fourteen (14) calendar days after Defendant Empire has funded half of the Maximum Settlement Amount, the Administrator will issue and mail checks for half the amount of (or as close to half as feasible) Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. This disbursement to PAGA Group Members will be accompanied by an employee notice substantially in the form attached hereto as Exhibit A, without material variation, and with a Spanish translation, as translated by the Administrator, informing them of the Settlement and first distribution, and advising them of a second distribution to come.

4.3.2. Second Disbursement: Within fourteen (14) calendar days after Defendant Empire has fully funded the Maximum Settlement Amount, the Administrator will issue checks for the remaining amounts of Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. This disbursement to PAGA Group Members will be accompanied by an employee notice substantially in the form attached hereto as Exhibit B, without material variation, and with a Spanish translation, as translated by the Administrator, reminding them of the Settlement and first distribution.

4.3.3. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided (the "Void Date"). The Administrator will

cancel all checks not cashed by the Void Date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.4. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or otherwise to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. If requested by an Aggrieved Employee prior to the Void Date, the Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced.

4.3.5. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator shall transmit the funds represented by such checks to the California State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee who failed to cash their check prior to the Void Date.

4.3.6. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

5.0. Plaintiffs' General Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release, waive and discharge the Released Parties from any and all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to, any and all PAGA claims against the Released Parties asserted in Plaintiffs' PAGA Notices and the Operative Complaint, or that could have been asserted based on the operative claims and facts asserted in Plaintiffs' PAGA Notices and the Operative Complaint ("Plaintiffs' Released Claims"). For purposes of clarity, the foregoing release is intended as a complete,

1 general release of all of Plaintiffs' claims in an individual capacity against the Released
2 Parties. Plaintiffs' Released Claims do not extend to any claims or actions to enforce this
3 Agreement, or to any claims for vested benefits, unemployment benefits, disability
4 benefits, social security benefits, workers' compensation benefits that arose at any time, or
5 based on occurrences outside the PAGA Period. Plaintiffs acknowledge that they may
6 discover facts or law different from, or in addition to, the facts or law that Plaintiffs now
7 know or believe to be true but agree, nonetheless, that Plaintiffs' General Release shall be
8 and remain effective in all respects, notwithstanding such different or additional facts or
9 Plaintiffs' discovery of them.

10 5.0.1. Civil Code § 1542 Waiver. Plaintiffs waive all rights under Civil Code § 1542, which
11 provides: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
12 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
13 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
14 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
15 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
16 PARTY.

17 5.0.2. No Representative Claims: Plaintiffs represent and warrant that no other actions,
18 lawsuits, or other proceedings of any type where Plaintiffs are, or can be, acting in a
19 representative capacity in any way relating to, or arising from, the facts and
20 circumstances underlying Plaintiffs' Released Claims have or will ever be filed, initiated,
21 or otherwise pursued by Plaintiffs.

22 5.1. Released PAGA Claims by Aggrieved Employees and the LWDA. All PAGA Group
23 Members and the LWDA will and hereby do release, waive, and discharge the Released
24 Parties from any and all PAGA claims against the Released Parties asserted in Plaintiffs'
25 PAGA Notices and the Operative Complaint, or that could have been asserted based on
26 the operative claims and facts asserted in Plaintiffs' PAGA Notices and the Operative
27 Complaint, including any and all claims for civil penalties under PAGA for violations of
28 the California Labor Code based on Defendants' failure to pay all wages due (including

1 minimum wages, straight time wages, regular rate wages, and overtime wages), failure to
2 provide compliant meal periods, failure to authorize and permit compliant rest periods,
3 failure to pay meal or rest period premium pay, failure to provide accurate and itemized
4 wage statements, failure to maintain or provide personnel, wage, or hours records, and/or
5 failure to timely pay all wages due during employment and at the time of termination,
6 failure to reimburse employees for all business-related expenses, and any and all other
7 provisions of the California Labor Code providing for penalties, and all damages, interest,
8 penalties, attorneys' fees, costs, and other amounts recoverable under said representative
9 causes of action under California law, to the extent permissible (the "Released PAGA
10 Claims"). The PAGA Settlement includes a release of PAGA claims asserted by Plaintiffs
11 but does not release any other individual (non-PAGA) claims that PAGA Group Members
12 may have against the Released Parties.

13 5.2. First Release Period. Effective upon a Court's Approval Order of the PAGA Settlement
14 and on the date when Defendants have funded half of the Maximum Settlement Amount,
15 Plaintiffs will and hereby do release, waive and discharge half of Plaintiffs' Released
16 Claims, and the PAGA Group Members and the LWDA will and hereby do release, waive,
17 and discharge approximately half of the Released PAGA Claims, including all claims
18 accrued during the first half of the PAGA Period (i.e., claims from June 23, 2020, through
19 May 1, 2022). Notwithstanding the foregoing, in the event that the Escalator Clause is
20 triggered and Defendants have elected to end the PAGA Period earlier, the end date of the
21 first release period shall be half of the period between June 23, 2020, and the shortened
22 PAGA Period end date.

23 5.3. Second Release Period. Effective upon a Court's Approval Order of the PAGA
24 Settlement and on the date when Defendants have fully funded the Maximum
25 Settlement Amount, Plaintiffs will and hereby do fully release, waive, and discharge
26 the remainder of Plaintiffs' Released Claims and the PAGA Group Members and the
27 LWDA will and hereby do fully release, waive, and discharge the remainder of the
28 Released PAGA Claims (i.e., claims from June 23, 2020, through October 6, 2024).

1 However, in the event that the Escalator Clause is triggered and Defendants have elected
2 to end the PAGA Period earlier, the end date of second release period shall be the shortened
3 PAGA Period end date.

4 5.4. Release Upon Full Payment (the Ruiz Contribution). Stratosphere, on behalf of Defendant
5 Tesla, Inc., shall contribute \$45,300.74 toward the Maximum Settlement Amount, in full
6 satisfaction of the settlement of the PAGA claims brought by Plaintiff Ruiz against
7 Defendant Tesla in this Action. The release and waiver of claims pursuant to this
8 Agreement as to Defendant Tesla and Stratosphere shall be effective as of the date when
9 the Administrator notifies counsel that it has received the Ruiz Contribution.

10 5.5. Release Upon Full Payment (the Pflug Contribution). Defendant Pflug shall contribute
11 \$175,000.00 toward the Maximum Settlement Amount, in full satisfaction of the
12 settlement of the PAGA claims brought by Plaintiff Bahena against Defendant Pflug in
13 this Action. The release and waiver of claims pursuant to this Agreement as to Defendant
14 Pflug shall be effective as of the date when the Administrator notifies counsel that it has
15 received the Pflug Contribution. \$87,500.00 of the Pflug Contribution shall be applied
16 toward Defendant Empire's monthly payment obligation for the first two months
17 immediately following the final approval of the PAGA settlement, proportionally reducing
18 Defendant Empire's funding payment for those two months.

19 5.6. Partial Funding. In the event of a partial funding of less than the Maximum Settlement
20 Amount, Plaintiffs will and hereby do release, waive, and discharge Plaintiffs' Released
21 Claims, and the PAGA Group Members and the LWDA will and hereby do release, waive,
22 and discharge the Released PAGA Claims for a proportionate share of the PAGA Period
23 starting at the beginning of that period. By way of example only, if Defendants pay 75%
24 of the Maximum Settlement Amount, then claims will be released for 75% of the PAGA
25 Period, commencing with those claims accruing on June 23, 2020. Notwithstanding the
26 foregoing, this Paragraph shall not apply to Defendant Tesla or Stratosphere upon payment
27 in full of the Ruiz Contribution, and shall not apply to Defendant Pflug upon payment in
28 full of the Pflug Contribution. For the avoidance of doubt, Plaintiffs will release, waive,

and discharge Plaintiff's Released Claims, and the PAGA Group Members and the LWDA release, waive and discharge the Released PAGA Claims as to Defendant Tesla and Stratosphere upon payment in full of the Ruiz Contribution, and as to Defendant Pflug upon payment in full of the Pflug Contribution, regardless of Defendant Empire's funding of the remainder of the Maximum Settlement Amount.

5.7. Scope of Release. For purposes of clarity, the foregoing releases are intended to be complete releases of all PAGA claims on behalf of Plaintiffs, other alleged Aggrieved Employees, and the LWDA, for the duration of the PAGA Period, subject to adjustment of said period as provided in Paragraphs 5.3–5.6 of this Agreement.

6. MOTION FOR APPROVAL OF SETTLEMENT.

The Parties agree to jointly prepare and file a motion for approval of this Settlement.

6.0. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under California Labor Code § 2699, subd. (I)(2), including: (i) a draft [proposed] Approval Order; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve, competency, operative procedures for protecting the security of Aggrieved Employee Data, amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance, all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA, and the nature and extent of any financial relationship with the Parties, PAGA Counsel, or Defense Counsel; and (iii) a signed declaration from PAGA Counsel attesting to timely transmission to the LWDA of all necessary PAGA documents (i.e., Plaintiffs' PAGA Notices [Cal. Lab. Code § 2699.3(a)], Plaintiffs' respective first amended complaints alleging a PAGA cause of action [Cal. Lab. Code § 2699(I)(1)], and this Agreement [Cal. Lab. Code § 2699(I)(2)]), all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator, and averring that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.1. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the motion for approval of this Settlement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

6.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. To the extent that the Parties are unable to resolve such concerns, then this Agreement will become null and void, and all prior payments made hereunder will be returned, less administrative costs incurred up to \$20,000.00, which shall be borne by Defendant Empire.

6.3. Other Pending Actions. Plaintiffs and PAGA Counsel agree to provide reasonable cooperation to Defendants and Defense Counsel in enforcing this Settlement and Agreement, and the releases herein, in any other action or proceeding now pending or hereafter filed in which this Agreement and Settlement may provide a complete or partial defense. Such cooperation may include, without limitation, providing declarations, affidavits, or testimony regarding the terms and intended effect of this Agreement.

7. SETTLEMENT ADMINISTRATION.

7.0. Selection of Administrator A Settlement Administrator shall be responsible for issuing all payments from the Maximum Settlement Amount, including payments to the PAGA Group Members, and shall be responsible for all appropriate withholdings, disbursement of taxes, and compliance with all reporting obligations. Subject to court approval, the Administrator will be paid from the Maximum Settlement Amount for

its fees and costs, including, without limitation, printing, issuance of checks, processing, translation of the employee notices, and mailing. The Parties have jointly selected Simpluris to serve as the Administrator and verified that, as a condition of appointment, Simpluris agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. The Parties and their respective counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.2. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation § 468B-1.

7.3. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Based on a review of Defendant Empire’s records and other records as of October 6, 2024, Defendant Empire estimates there is a cumulative total of 626,218 PAGA Pay Periods during the PAGA Period. If the number of PAGA Pay Periods during the PAGA Period is more than 10% greater than this figure (i.e., if the number of PAGA Pay Periods increases by more than 62,621 over the estimated total), Defendant Empire has the option to either: (1) increase the Maximum Settlement Amount on a proportional basis (i.e., if there is an 11% increase in the number of PAGA Pay Periods, Defendant Empire agrees to increase the Maximum Settlement Amount proportionately by 1%); or in the alternative, (2) end the PAGA Period at an earlier date so as to limit the covered PAGA Pay Periods as to Defendant Empire only to 688,839 (or less), in lieu of paying an increase to the Maximum Settlement Amount.

9. CONTINUING JURISDICTION AND WAIVER OF RIGHT TO APPEAL.

9.0. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the

1 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
2 purposes of (i) enforcing the Agreement and/or Judgment, (ii) addressing settlement
3 administration matters, and (iii) addressing such post-Judgment matters as are permitted
4 by law.

5 9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
6 conditions of this Agreement, specifically including, but not limited to, the PAGA Counsel
7 Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their
8 respective counsel waive all rights to appeal from the Judgment, including all rights to
9 post-Judgment and appellate proceedings, the right to file motions to vacate Judgment,
10 motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not
11 include any waiver of the right to oppose such motions, writs, or appeals. If a third party
12 appeals the Judgment, the Parties' obligations to perform under this Agreement will be
13 suspended until such time as the appeal is finally resolved and the Judgment becomes final,
14 except as to matters that do not affect the amount of the Net Settlement Amount and do
15 not affect the validity or scope of the releases provided herein.

16 **10. ADDITIONAL PROVISIONS.**

17 10.0. No Admission of Liability or Representative Manageability for Other Purposes. This
18 Agreement represents a compromise and settlement of highly disputed claims. Nothing in
19 this Agreement is intended or should be construed as an admission by Defendants that any
20 of the allegations in the Actions have merit or that Defendants have any liability for any
21 claims asserted; nor should it be intended or construed as an admission by Plaintiffs that
22 Defendants' defenses in the Actions have merit. The Parties agree that representative
23 treatment is for purposes of this Settlement only and does not constitute a concession on
24 Defendants' part that a PAGA action would be manageable for other purposes. If, for any
25 reason the Court does not approve this Settlement, Defendants reserve all available
26 defenses to the claims in the Actions, and Plaintiffs reserve the right to contest Defendants'
27 defenses. The Settlement, this Agreement, and Parties' willingness to settle the Actions
28 will have no bearing on, and will not be admissible in connection with, any litigation

(except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.1. Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with its Exhibits A and B, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. Notwithstanding the foregoing, to the extent of any ambiguity, this Agreement will be construed by reference to the binding MOU referenced in Paragraph 2.7.

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

10.3. Cooperation. The Parties and their respective counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement and/or submitting supplemental evidence and supplemental points and authorities as requested by the Court, provided that such modifications do not increase the Maximum Settlement Amount or the Ruiz Contribution, change the scope or effect of the releases herein, or otherwise materially alter the terms of the Settlement or this Agreement. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of mediator Steven Rottman and/or the Court for resolution.

10.4. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.5. No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be

relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.6. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

10.8. Applicable Law. All terms and conditions of this Agreement, together with its Exhibits A and B, will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.9. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.10. Confidentiality. The Parties agree to keep the Settlement and this Agreement confidential until a motion for approval of this Settlement is filed. However, this Paragraph shall not restrict PAGA Counsel's communications with Aggrieved Employees in accordance with any ethical obligations PAGA Counsel owes to Aggrieved Employees; and further, Defense Counsel may also disclose this Agreement on a confidential basis to counsel for co-defendants in any of the pending PAGA actions to seek contribution. Further, the Parties can disclose in any other pending PAGA cases affected by this Agreement the fact that "the PAGA claims have been resolved pending a Court approval." To the extent permitted by law, all agreements made, and orders entered during the Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. This Agreement shall remain confidential until a motion for approval is filed with the Court.

10.11. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to California Evidence Code § 1152, and all copies and summaries of the Aggrieved Employee Data provided to PAGA Counsel by Defense Counsel 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 two (2) weeks of a written request by Defendants for destruction, but only following the Administrator's payment of all funds owed under the Settlement, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defense Counsel.

10.12. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.13. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.14. Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by USPS mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Kane Moon (E-mail: kmoon@moonlawgroup.com)
Allen Feghali (E-mail: afeghali@moonlawgroup.com)
Charlotte Mikat-Stevens (E-mail: cmikat-stevens@moonlawgroup.com)
Hyunjin Kim (E-mail: hkim@moonlawgroup.com)
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017

To Defendants:

Damion D. D. Robinson (E-mail: dm@robinsonmarkevitch.com)
David Markevitch (E-mail: dm@robinsonmarkevitch.com)
ROBINSON MARKEVITCH LLP
8430 Santa Monica Boulevard, Suite 200
West Hollywood, CA 90069
Counsel for Defendant Empire

Roger J. Brothers (E-mail: rbrothers@brotherssmith.com)
Horace W. Green (E-mail: hgreen@brotherssmith.com)

Stefano Abbasciano (E-mail: sabbasciano@brotherssmithlaw.com)
BROTHERS SMITH LLP
2033 N. Main Street, Suite 720
Walnut Creek, California 94596
Counsel for Defendant Pflug

Brian D. Berry (E-mail: brian.berry@morganlewis.com)
Morgan, Lewis & Bockius LLP
One Market, Spear Street Tower
San Francisco, CA 94105-1596
Counsel for Defendant Tesla, Inc.

Kate G. Erdel (E-mail: Kate.Erdel@dentons.com)
Dentons Bingham Greenebaum LLP
2700 Market Tower
10 West Market Street
Indianapolis, IN 46204
Counsel for Stratosphere Quality LLC

10.15. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., AdobeSign, DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16. Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to California Code of Civil Procedure § 583.330, to extend the date to bring a case to trial under California Code of Civil Procedure § 583.310 for the entire period of this settlement process.

IT IS AGREED AND UNDERSTOOD BY:

Plaintiffs:

DATED: Feb 21, 2025

By: Jose Bahena
Jose Bahena (Feb 21, 2025 10:54 PST)
Jose Bahena

DATED: 2/26/2025

DocuSigned by:
By: Rocio JRZR
BDFE8F40593C47D...
Rocio Juarez Ruiz

Defendants:

DATED: **DEFENDANT ATLANTIC SOLUTIONS GROUP, INC. d/b/a EMPIRE WORKFORCE SOLUTIONS**

By: _____
Adam R. Kidan
Title: President

DATED: **DEFENDANT PFLUG PACKAGING & FULFILLMENT, INC.**

By: _____
Paul Pflug
Title: _____

DATED: **DEFENDANT TESLA, INC. f/k/a TESLA MOTORS, INC.**

By: _____
James Y. Wu
Title: Associate General Counsel, Employment Litigation

DATED: **STRATOSPHERE QUALITY, LLC**

By: _____
Kyle Coffinger
Title: CEO

APPROVED AS TO FORM BY:

Plaintiffs' Counsel: MOON LAW GROUP, PC

DATED: February 21, 2025

By:  _____
Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Hyunjin Kim
Attorneys for Plaintiffs

Defense Counsel:

Defendants:

DATED:

**DEFENDANT ATLANTIC SOLUTIONS GROUP,
INC. d/b/a EMPIRE WORKFORCE SOLUTIONS**

By: _____

Adam R. Kidan

Title: President

DATED:

**DEFENDANT PELUG PACKAGING &
FULFILLMENT, INC.**

By: _____

Paul Pflug

Title: _____

DATED:

**DEFENDANT TESLA, INC. f/k/a TESLA
MOTORS, INC.**

By: _____

James Y. Wu

Title: Associate General Counsel, Employment
Litigation

DATED: 2/19/2025

STRATOSPHERE QUALITY, LLC

By: _____



Kyle Coffinger

Title: CEO

APPROVED AS TO FORM BY:

Plaintiffs' Counsel:

MOON LAW GROUP, PC

DATED:

By: _____

Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Hyunjin Kim
Attorneys for Plaintiffs

Defense Counsel:

1 DATED:

ROBINSON MARKEVITCH LLP

2
3 By: _____

4 Damion D. D. Robinson
5 David Markevitch
6 *Attorneys for Defendant* Atlantic Solutions
7 Group, Inc. d/b/a Empire Workforce Solutions

8 DATED:

BROTHERS SMITH LLP

9
10 By: _____

11 Roger J. Brothers
12 Horace W. Green
13 Stefano Abbasciano
14 *Attorneys for Defendant* Pflug Packaging &
15 Fulfillment, Inc.

16 DATED:

MORGAN, LEWIS & BOCKIUS LLP

17
18 By: _____

19 Brian D. Berry
20 *Attorneys for Defendant* Tesla, Inc. f/k/a Tesla
21 Motors, Inc.

22 DATED: 2/19/2025

DENTONS BINGHAM GREENEBAUMP LLP

23
24 By:  _____

25 Kate G. Erdel
26 *Attorneys for* Stratosphere Quality, LLC
27
28

Defendants:

DATED:

**DEFENDANT ATLANTIC SOLUTIONS GROUP,
INC. d/b/a EMPIRE WORKFORCE SOLUTIONS**

By: _____

Adam R. Kidan

Title: President

DATED:

**DEFENDANT PFLUG PACKAGING &
FULFILLMENT, INC.**

By: _____

Paul Pflug

Title: _____

DATED: February 21, 2025

**DEFENDANT TESLA, INC. f/k/a TESLA
MOTORS, INC.**

By:  _____

James Y. Wu

Title: Associate General Counsel, Employment
Litigation

DATED:

STRATOSPHERE QUALITY, LLC

By: _____

Kyle Coffinger

Title: CEO

APPROVED AS TO FORM BY:

Plaintiffs' Counsel:

MOON LAW GROUP, PC

DATED:

By: _____

Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Hyunjin Kim
Attorneys for Plaintiffs

Defense Counsel:

1 DATED:

ROBINSON MARKEVITCH LLP

2 By: _____

3 Damion D. D. Robinson
4 David Markevitch
5 *Attorneys for Defendant* Atlantic Solutions
Group, Inc. d/b/a Empire Workforce Solutions

6 DATED:

BROTHERS SMITH LLP

7 By: _____

8 Roger J. Brothers
9 Horace W. Green
10 Stefano Abbasciano
Attorneys for Defendant Pflug Packaging &
Fulfillment, Inc.

11 DATED: February 21, 2025

MORGAN, LEWIS & BOCKIUS LLP

12 By:  _____

13 Brian D. Berry
14 *Attorneys for Defendant* Tesla, Inc. f/k/a Tesla
Motors, Inc.

15 DATED:

DENTONS BINGHAM GREENEBAUMP LLP

16 By: _____

17 Kate G. Erdel
18 *Attorneys for* Stratosphere Quality, LLC
19
20
21
22
23
24
25
26
27
28

Defendants:

DATED: Feb 23, 2025

**DEFENDANT ATLANTIC SOLUTIONS GROUP,
INC. d/b/a EMPIRE WORKFORCE SOLUTIONS**

Adam R. Kidan, Pres.

Adam R. Kidan, Pres. (Feb 23, 2025 14:59 EST)

By: _____

Adam R. Kidan

Title: President

DATED:

**DEFENDANT PFLUG PACKAGING &
FULFILLMENT, INC.**

By: _____

Paul Pflug

Title: _____

DATED:

**DEFENDANT TESLA, INC. f/k/a TESLA
MOTORS, INC.**

By: _____

James Y. Wu

Title: Associate General Counsel, Employment
Litigation

DATED:

STRATOSPHERE QUALITY, LLC

By: _____

Kyle Coffinger

Title: CEO

APPROVED AS TO FORM BY:

Plaintiffs' Counsel:

MOON LAW GROUP, PC

DATED:

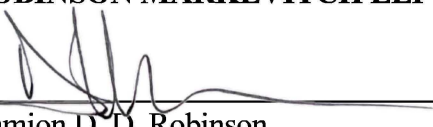
By: _____

Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Hyunjin Kim
Attorneys for Plaintiffs

Defense Counsel:

1 DATED: February 20, 2025

ROBINSON MARKEVITCH LLP

2
3 By: 

Damion D. D. Robinson
David Markevitch
Attorneys for Defendant Atlantic Solutions
Group, Inc. d/b/a Empire Workforce Solutions

4
5 DATED:

BROTHERS SMITH LLP

6
7 By: _____

Roger J. Brothers
Horace W. Green
Stefano Abbasciano
Attorneys for Defendant Pflug Packaging &
Fulfillment, Inc.

8
9 DATED:

MORGAN, LEWIS & BOCKIUS LLP

10
11 By: _____

Brian D. Berry
Attorneys for Defendant Tesla, Inc. f/k/a Tesla
Motors, Inc.

12
13 DATED:

DENTONS BINGHAM GREENEBAUMP LLP

14
15 By: _____

Kate G. Erdel
Attorneys for Stratosphere Quality, LLC

Defendants:

DATED:

**DEFENDANT ATLANTIC SOLUTIONS GROUP,
INC. d/b/a EMPIRE WORKFORCE SOLUTIONS**

By: _____

Adam R. Kidan

Title: President

DATED: 2/26/2025

**DEFENDANT PFLUG PACKAGING &
FULFILLMENT, INC.**

By: Paul Pflug

Paul Pflug

Title: President

DATED:

**DEFENDANT TESLA, INC. f/k/a TESLA
MOTORS, INC.**

By: _____

James Y. Wu

Title: Associate General Counsel, Employment
Litigation

DATED:

STRATOSPHERE QUALITY, LLC

By: _____

Kyle Coffinger

Title: CEO

APPROVED AS TO FORM BY:

Plaintiffs' Counsel:

MOON LAW GROUP, PC

DATED:

By: _____

Kane Moon
Allen Feghali
Charlotte Mikat-Stevens
Hyunjin Kim
Attorneys for Plaintiffs

Defense Counsel:

1 DATED:

ROBINSON MARKEVITCH LLP

2 By: _____

3 Damion D. D. Robinson
4 David Markevitch
5 *Attorneys for Defendant Atlantic Solutions*
6 *Group, Inc. d/b/a Empire Workforce Solutions*

7 DATED: February 19, 2025

BROTHERS SMITH LLP

8 By: _____

9 Roger J. Brothers
10 Horace W. Green
11 Stefano Abbasciano
12 *Attorneys for Defendant Pflug Packaging &*
13 *Fulfillment, Inc.*

14 DATED:

MORGAN, LEWIS & BOCKIUS LLP

15 By: _____

16 Brian D. Berry
17 *Attorneys for Defendant Tesla, Inc. f/k/a Tesla*
18 *Motors, Inc.*

19 DATED:

DENTONS BINGHAM GREENEBAUMP LLP

20 By: _____

21 Kate G. Erdel
22 *Attorneys for Stratosphere Quality, LLC*

EXHIBIT A

**NOTICE OF PAGA ACTION SETTLEMENT AND
FIRST INDIVIDUAL PAGA PAYMENT**

Bahena v. Pflug Packaging & Fulfillment, Inc., et al., San Joaquin County California Superior Court
Case No. STK-CV-UOE-2023-1617

Read this Notice carefully. This is not a solicitation by a lawyer. You are not being sued.

IF YOU WORKED FOR ATLANTIC SOLUTIONS GROUP, INC. D/B/A EMPIRE WORKFORCE SOLUTIONS IN CALIFORNIA AS AN HOURLY-PAID OR NON-EXEMPT EMPLOYEE AT ANY TIME FROM JUNE 23, 2020, TO OCTOBER 6, 2024 (THE “PAGA PERIOD”), THIS NOTICE EXPLAINS HOW YOUR RIGHTS ARE BEING AFFECTED BY A PAGA SETTLEMENT.

A settlement (the “PAGA Settlement”) has been reached in two consolidated lawsuits asserting wage and hour claims against Defendants Atlantic Solutions Group, Inc. d/b/a Empire Workforce Solutions (“Defendant Empire”), Defendant Tesla, Inc. d/b/a Tesla Motors, Inc. (“Defendant Tesla”), Defendant Pflug Packaging & Fulfillment, Inc. (“Defendant Pflug”), and Stratosphere Quality, LLC (“Stratosphere”) (together, Defendant Empire, Defendant Tesla, Defendant Pflug, and Stratosphere are hereinafter referred to as “Defendants”). The purpose of this Notice is to advise you as to why you are receiving the enclosed payment.

Who is affected by this PAGA Settlement and why are you receiving payment?

The Court has designated, for settlement purposes only, the following persons as “Aggrieved Employees” or “PAGA Group Members”: All persons who worked for Defendant Empire in California as an hourly-paid or non-exempt employee at any time during the PAGA Period.

PAGA Period: The “PAGA Period” refers to the period of June 23, 2020, through October 6, 2024.

According to Defendants’ records, you are one of the Aggrieved Employees, and therefore, are receiving the enclosed check (your “first Individual PAGA Payment”¹). This check represents half of your share of the PAGA Settlement proceeds for the first release period of the Released PAGA Claims. Your share was calculated based on the number of Pay Periods you worked as an Aggrieved Employee from June 23, 2020, through END OF FIRST RELEASE PERIOD, as determined by the Administration based on a review of Defendants’ business records. As discussed further below in this Notice, you will receive a second Individual PAGA Payment after Defendants have fully funded the Maximum Settlement Amount owed under the PAGA Settlement.

What is this PAGA Settlement about?

Plaintiff Rocio Juarez Ruiz (“Plaintiff Ruiz”) filed her lawsuit on November 22, 2021 in the California Superior Court, San Bernardino County against Defendants Empire and Tesla, entitled *Ruiz v. Tesla, Inc. dba Tesla Motors, Inc., and Atlantic Solutions Group Inc.*, Case No. CIVSB2132323. Plaintiff Jose Bahena (“Plaintiff Bahena”) filed his lawsuit on February 22, 2023 in the California Superior Court, San Joaquin County against Defendant Empire, entitled *Bahena v. Pflug Packaging & Fulfillment, Inc., and Empire Workforce Solutions*, Case No. STK-CV-UOE-2023-1617. (Together, Plaintiffs Ruiz and Bahena are “Plaintiffs.”) On November 26, 2024, Plaintiffs consolidated their respective lawsuits under Plaintiff Bahena’s San Joaquin County lawsuit. On behalf of themselves, other Aggrieved Employees, and the State of California, Plaintiffs asserted claims that Defendants violated provisions of

¹ One hundred percent (100%) of your Individual PAGA Payment will be considered penalties for tax reporting purposes. Your Individual PAGA Payment will be reported to the appropriate tax authorities on an IRS 1099 Form, and may be subject to local, state, or federal tax withholdings. You should discuss with your own tax advisors as to the tax consequences, if any, of your Individual PAGA Payment. Neither of the Parties or their attorneys have made any representations or warranties regarding the taxation of your Individual PAGA Payment. Nothing within this Notice, or any other communication, shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

the California Labor Code giving rise to claims for civil penalties under the California Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.* (“PAGA”).

Defendants deny the allegations in the Actions, deny any failure to comply with the laws identified in the Actions, and deny any and all liability for the causes of action alleged in the Actions. Plaintiffs maintain their allegations have merit. Nonetheless, both sides have agreed to settle, in recognition of the substantial risks, duration, and costs associated with continued litigation.

This PAGA Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiffs and Defendants (the “Parties”), and is not an admission of liability on the part of Defendants. The Settlement fully resolves the PAGA claims alleged by Plaintiffs.

The Court has not ruled on the merits of Plaintiffs’ claims or Defendants’ defenses. However, the Court did approve the PAGA Settlement.

The PAGA Settlement resolves Plaintiffs’ PAGA Actions as well as the following Actions solely with respect to the Released PAGA Claims that are described further below:

- 1) *Francisco Alvarez v. National Retail Systems, Inc., et al.*, San Bernardino County Superior Court, case no. CIVSB2200676, and related JAMS arbitration proceeding reference no. 5230000151;
- 2) *Alexi Barahona v. Atlantic Solutions Group, Inc., et al.*, Los Angeles County Superior Court, case no. 21STCV46859;
- 3) *Maricruz Murillo v. Empire Workforce Solutions, et al.*, Orange County Superior Court, case no. 30-2022-01253133-CU-WT-CJC, and related JAMS arbitration proceeding reference no. 1200060452;
- 4) *Blanka Rivera v. Legendary Staffing, Inc., et al.*, Solano County Superior Court, case no. CU23-01485; and
- 5) *Jonathan O. Sanchez v. Empire Workforce Solutions, et al.*, Los Angeles County Superior Court, case no. 22STCV34832, and related JAMS arbitration proceeding reference no. 5220003214.

What are the monetary terms of the PAGA Settlement?

Defendants agree to cumulatively pay **\$2,941,090.00** (the “Maximum Settlement Amount”) for: (a) payment to Plaintiffs’ Counsel for Attorneys’ Fees in the amount of **\$980,363.33** (which is one-third of the Maximum Settlement Amount), as reasonable consideration for litigation work performed; (b) payment to Plaintiffs’ Counsel for Litigation Expenses in the amount of \$_____, as reimbursement for actual costs of litigation; (c) payment to the Administrator for Administration Expenses in the amount of **\$74,802.00**, for its services in administering this PAGA Settlement; (d) payment of a PAGA Representative Enhancement to Plaintiffs in the amount of **\$15,000.00**, each (\$30,000.00 total), in recognition for their role, service, and risks undertaken as the PAGA Representatives and as compensation for their general release of claims under the PAGA Settlement; (e) payment of \$_____ to the California Labor and Workforce Development Agency (the “LWDA”) as its 75% share of compensation for settlement claims of PAGA Penalties; and (f) payment of \$_____ to Aggrieved Employees as their 25% share of compensation for settlement claims of PAGA Penalties.

Funding: Defendants will fully fund the Maximum Settlement Amount no later than March 3, 2030, to be paid into a Qualified Settlement Fund (“QSF”) established and maintained by the Administrator, through monthly installments of no less than \$50,000.00.

First Disbursement: You are receiving the enclosed first Individual PAGA Payment check because Defendants have funded half of the Maximum Settlement Amount.

Second Disbursement: You will receive a second Individual PAGA Payment check once Defendants have funded the remaining half of the Maximum Settlement Amount. As noted above, Defendants have until March 3, 2030 to fully fund the Maximum Settlement Amount. Within 14 days after Defendants have fully funded the Maximum Settlement Amount, the Administrator will mail your second Individual PAGA Payment. ***To ensure you received your second Individual PAGA Payment, you should keep the Administrator informed of any change to your mailing address.*** (The Administrator’s contact information is on the third page of this Notice.) Unless you inform the Administrator otherwise, your Payment will be mailed to the same address where this Notice was mailed.

What are the terms of the PAGA Settlement regarding released claims?

Released PAGA Claims: All PAGA Group Members and the LWDA will and hereby do release, waive, and discharge the Released Parties from any and all PAGA claims against the Released Parties asserted in Plaintiffs' PAGA Notices and the Operative Complaint, or that could have been asserted based on the operative claims and facts asserted in the in Plaintiffs' PAGA Notices and the Operative Complaint, including claims for civil penalties under PAGA for violations of the California Labor Code based on Defendants' failure to pay all wages due (including minimum wages, straight time wages, regular rate wages, and overtime wages), failure to provide compliant meal periods, failure to authorize and permit compliant rest periods, failure to pay meal or rest period premium pay, failure to provide accurate and itemized wage statements, failure to maintain or provide personnel, wage, or hours records, and/or failure to timely pay all wages due during employment and at the time of termination, failure to reimburse employees for all business-related expenses, and any and all other provisions of the California Labor Code providing for penalties, and all damages, interest, penalties, attorneys' fees, costs, and other amounts recoverable under said representative causes of action under California law, to the extent permissible (the "Released PAGA Claims").

Released Parties: The "Released Parties" are Defendants and their Co-Employers, directors, joint employers, and clients, and all their respective parents, subsidiaries, affiliates, officers, directors, employees, agents, representatives, insurers, shareholders, partners, members, managers, predecessors, successors, and assigns.

Co-Employers: All of Defendant Empire's clients where any of the PAGA Group Members were assigned to work by Defendant Empire at any time during the PAGA Period, including, but not limited to: Tesla, Inc.; Pflug Packaging & Fulfillment, Inc.; Stratosphere Quality, LLC; National Retail Systems, Inc.; National Retail Transportation, Inc.; Lexmont Logistics; Valley Fine Foods, LLC incorrectly named as Valley Fine Foods Company, LLC; and American International Industries, Inc.

Operative Complaint: The "Operative Complaint" refers to Plaintiffs' Second Amended Representative Action Complaint filed in the San Joaquin Superior Court on November 26, 2024.

Plaintiffs' PAGA Notices: "Plaintiffs' PAGA Notices" refer to Plaintiff Bahena's February 19, 2023 letter to the LWDA, Plaintiff Bahena's January 22, 2025 letter to the LWDA, and Plaintiff Ruiz's November 11, 2021 letter to the LWDA, providing notice of the alleged Labor Code violations pursuant PAGA.

The PAGA Settlement includes a release of PAGA claims asserted by Plaintiffs but does not release any other individual (non-PAGA) claims you may have against the Released Parties.

First Release Period: Effective upon a Court's Approval Order of the PAGA Settlement and on the date when Defendants have funded half of the Maximum Settlement Amount, PAGA Group Members and the LWDA will and hereby do release, waive, and discharge approximately half of the Released PAGA Claims, including all claims accrued during the first half of the PAGA Period (i.e., claims from June 23, 2020, through May 1, 2022).

Second Release Period: Effective upon a Court's Approval Order of the PAGA Settlement and on the date when Defendants have fully funded the Maximum Settlement Amount, PAGA Group Members and the LWDA will and hereby do fully release, waive, and discharge the remainder of the Released PAGA Claims (i.e., claims from June 23, 2020, through October 6, 2024).

What if I lose my check?

Your enclosed first Individual PAGA Payment check will remain valid and negotiable for one hundred eighty (180) days from the date of the check's issuance, as stated on your check (the "Void Date"). If you do not cash your check before the Void Date, the Administrator will cancel your check and transmit those funds to the California State Controller's Unclaimed Property Fund in your name. If your check funds are transferred to the Unclaimed Property Fund, you should consult the California State Controller's website for instructions on how to retrieve those funds.

If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement. Also, if you need to update your mailing address (for example, to ensure receipt of your second Individual PAGA Payment), you should contact the Administrator.

The Administrator can be contacted as follows:

<<Administrator Name>>

<<Address>>

<<Tel. Number>>

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

EXHIBIT B

**NOTICE OF PAGA ACTION SETTLEMENT AND
SECOND INDIVIDUAL PAGA PAYMENT**

Bahena v. Pflug Packaging & Fulfillment, Inc., et al., San Joaquin County California Superior Court
Case No. STK-CV-UOE-2023-1617

Read this Notice carefully. This is not a solicitation by a lawyer. You are not being sued.

IF YOU WORKED FOR ATLANTIC SOLUTIONS GROUP, INC. D/B/A EMPIRE WORKFORCE SOLUTIONS IN CALIFORNIA AS AN HOURLY-PAID OR NON-EXEMPT EMPLOYEE AT ANY TIME FROM JUNE 23, 2020, TO OCTOBER 6, 2024 (THE “PAGA PERIOD”), THIS NOTICE EXPLAINS HOW YOUR RIGHTS ARE BEING AFFECTED BY A PAGA SETTLEMENT.

A settlement (the “PAGA Settlement”) was been reached in two consolidated lawsuits asserting wage and hour claims against Defendants Atlantic Solutions Group, Inc. d/b/a Empire Workforce Solutions (“Defendant Empire”), Defendant Tesla, Inc. d/b/a Tesla Motors, Inc. (“Defendant Tesla”), Defendant Pflug Packaging & Fulfillment, Inc. (“Defendant Pflug”), and Stratosphere Quality, LLC (“Stratosphere”) (together, Defendant Empire, Defendant Tesla, Defendant Pflug, and Stratosphere are hereinafter referred to as “Defendants”). The purpose of this Notice is to advise you as to why you are receiving the enclosed payment.

Who is affected by this PAGA Settlement and why are you receiving payment?

The Court has designated, for settlement purposes only, the following persons as “Aggrieved Employees” or “PAGA Group Members”: All persons who worked for Defendant Empire in California as an hourly-paid or non-exempt employee at any time during the PAGA Period.

PAGA Period: The “PAGA Period” refers to the period of June 23, 2020, through October 6, 2024.

According to Defendants’ records, you are one of the Aggrieved Employees, and therefore, are receiving the enclosed check (your “second Individual PAGA Payment”¹). You previously received a first Individual PAGA Payment. The enclosed check represents the remaining half of your share of the PAGA Settlement proceeds for the second release period of the Released PAGA Claims. Your share was calculated based on the number of Pay Periods you worked as an Aggrieved Employee from START OF SECOND RELEASE PERIOD through October 6, 2024, as determined by the Administration based on a review of Defendants’ business records.

What is this PAGA Settlement about?

Plaintiff Rocio Juarez Ruiz (“Plaintiff Ruiz”) filed her lawsuit on November 22, 2021 in the California Superior Court, San Bernardino County against Defendants Empire and Tesla, entitled *Ruiz v. Tesla, Inc. dba Tesla Motors, Inc., and Atlantic Solutions Group Inc.*, Case No. CIVSB2132323. Plaintiff Jose Bahena (“Plaintiff Bahena”) filed his lawsuit on February 22, 2023 in the California Superior Court, San Joaquin County against Defendant Empire, entitled *Bahena v. Pflug Packaging & Fulfillment, Inc., and Empire Workforce Solutions*, Case No. STK-CV-UOE-2023-1617. (Together, Plaintiffs Ruiz and Bahena are “Plaintiffs.”) On November 26, 2024, Plaintiffs consolidated their respective lawsuits under Plaintiff Bahena’s San Joaquin County lawsuit. On behalf of themselves, other Aggrieved Employees, and the State of California, Plaintiffs asserted claims that Defendants violated provisions of the California Labor Code giving rise to claims for civil penalties under the California Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.* (“PAGA”).

¹ One hundred percent (100%) of your Individual PAGA Payment will be considered penalties for tax reporting purposes. Your Individual PAGA Payment will be reported to the appropriate tax authorities on an IRS 1099 Form, and may be subject to local, state, or federal tax withholdings. You should discuss with your own tax advisors as to the tax consequences, if any, of your Individual PAGA Payment. Neither of the Parties or their attorneys have made any representations or warranties regarding the taxation of your Individual PAGA Payment. Nothing within this Notice, or any other communication, shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

Defendants deny the allegations in the Actions, deny any failure to comply with the laws identified in the Actions, and deny any and all liability for the causes of action alleged in the Actions. Plaintiffs maintain their allegations have merit. Nonetheless, both sides have agreed to settle, in recognition of the substantial risks, duration, and costs associated with continued litigation.

This PAGA Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiffs and Defendants (the "Parties"), and is not an admission of liability on the part of Defendants. The Settlement fully resolves the PAGA claims alleged by Plaintiffs.

The Court has not ruled on the merits of Plaintiffs' claims or Defendants' defenses. However, the Court did approve the PAGA Settlement.

The PAGA Settlement resolves Plaintiffs' PAGA Actions as well as the following Actions solely with respect to the Released PAGA Claims that are described further below:

- 1) *Francisco Alvarez v. National Retail Systems, Inc., et al.*, San Bernardino County Superior Court, case no. CIVSB2200676, and related JAMS arbitration proceeding reference no. 5230000151;
- 2) *Alexi Barahona v. Atlantic Solutions Group, Inc., et al.*, Los Angeles County Superior Court, case no. 21STCV46859;
- 3) *Maricruz Murillo v. Empire Workforce Solutions, et al.*, Orange County Superior Court, case no. 30-2022-01253133-CU-WT-CJC, and related JAMS arbitration proceeding reference no. 1200060452;
- 4) *Blanka Rivera v. Legendary Staffing, Inc., et al.*, Solano County Superior Court, case no. CU23-01485; and
- 5) *Jonathan O. Sanchez v. Empire Workforce Solutions, et al.*, Los Angeles County Superior Court, case no. 22STCV34832, and related JAMS arbitration proceeding reference no. 5220003214.

What are the monetary terms of the PAGA Settlement?

Defendants agreed to cumulatively pay **\$2,941,090.00** (the "Maximum Settlement Amount") for: (a) payment to Plaintiffs' Counsel for Attorneys' Fees in the amount of **\$980,363.33** (which is one-third of the Maximum Settlement Amount), as reasonable consideration for litigation work performed; (b) payment to Plaintiffs' Counsel for Litigation Expenses in the amount of \$_____, as reimbursement for actual costs of litigation; (c) payment to the Administrator for Administration Expenses in the amount of **\$74,802.00**, for its services in administering this PAGA Settlement; (d) payment of a PAGA Representative Enhancement to Plaintiffs in the amount of **\$15,000.00**, each (\$30,000.00 total), in recognition for their role, service, and risks undertaken as the PAGA Representatives and as compensation for their general release of claims under the PAGA Settlement; (e) payment of \$_____ to the California Labor and Workforce Development Agency (the "LWDA") as its 75% share of compensation for settlement claims of PAGA Penalties; and (f) payment of \$_____ to Aggrieved Employees as their 25% share of compensation for settlement claims of PAGA Penalties.

First Disbursement: You previously received a first Individual PAGA Payment.

Second Disbursement: You are receiving the enclosed second Individual PAGA Payment check because Defendants have funded the remaining half of the Maximum Settlement Amount.

What are the terms of the PAGA Settlement regarding released claims?

Released PAGA Claims: All PAGA Group Members and the LWDA will and hereby do release, waive, and discharge the Released Parties from any and all PAGA claims against the Released Parties asserted in Plaintiffs' PAGA Notices and the Operative Complaint, or that could have been asserted based on the operative claims and facts asserted in the in Plaintiffs' PAGA Notices and the Operative Complaint, including claims for civil penalties under PAGA for violations of the California Labor Code based on Defendants' failure to pay all wages due (including minimum wages, straight time wages, regular rate wages, and overtime wages), failure to provide compliant meal periods, failure to authorize and permit compliant rest periods, failure to pay meal or rest period premium pay, failure to provide accurate and itemized wage statements, failure to maintain or provide personnel, wage, or hours records, and/or failure to timely pay all wages due during employment and at the time of termination, failure to reimburse employees for all business-related expenses, and any and all other provisions of the California Labor Code providing

for penalties, and all damages, interest, penalties, attorneys’ fees, costs, and other amounts recoverable under said representative causes of action under California law, to the extent permissible (the “Released PAGA Claims”).

Released Parties: The “Released Parties” are Defendants and their Co-Employers, directors, joint employers, and clients, and all their respective parents, subsidiaries, affiliates, officers, directors, employees, agents, representatives, insurers, shareholders, partners, members, managers, predecessors, successors, and assigns.

Co-Employers: All of Defendant Empire’s clients where any of the PAGA Group Members were assigned to work by Defendant Empire at any time during the PAGA Period, including, but not limited to: Tesla, Inc.; Pflug Packaging & Fulfillment, Inc.; Stratosphere Quality, LLC; National Retail Systems, Inc.; National Retail Transportation, Inc.; Lexmont Logistics; Valley Fine Foods, LLC incorrectly named as Valley Fine Foods Company, LLC; and American International Industries, Inc.

Operative Complaint: The “Operative Complaint” refers to Plaintiffs’ Second Amended Representative Action Complaint filed in the San Joaquin Superior Court on November 26, 2024.

Plaintiffs’ PAGA Notices: “Plaintiffs’ PAGA Notices” refer to Plaintiff Bahena’s February 19, 2023 letter to the LWDA, Plaintiff Bahena’s January 22, 2025 letter to the LWDA, and Plaintiff Ruiz’s November 11, 2021 letter to the LWDA, providing notice of the alleged Labor Code violations pursuant PAGA.

The PAGA Settlement includes a release of PAGA claims asserted by Plaintiffs but does not release any other individual (non-PAGA) claims you may have against the Released Parties. The release includes all Released PAGA Claims for the period of June 23, 2020 through October 6, 2024.

What if I lose my check?

Your enclosed *second* Individual PAGA Payment check will remain valid and negotiable for one hundred eighty (180) days from the date of the check’s issuance, as stated on your check (the “Void Date”). If you do not cash your check before the Void Date, the Administrator will cancel your check and transmit those funds to the California State Controller’s Unclaimed Property Fund in your name. If your check funds are transferred to the Unclaimed Property Fund, you should consult the California State Controller’s website for instructions on how to retrieve those funds.

If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.

The Administrator can be contacted as follows:

<<Administrator Name>>

<<Address>>

<<Tel. Number>>

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.