

1 **SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS**

2 Plaintiff Ralph Shakespeare (hereinafter “Plaintiff”), individually and in his capacity as
3 representative of the State of California on behalf of other aggrieved employees, and Iron Wall Security,
4 Inc. (“IWS”) and hereby enter into this Settlement Agreement and Release of Private Attorneys General
5 Act of 2004 claims (“Settlement” or “Agreement”) as follows:

6 **I. DEFINITIONS**

7 As used in this Settlement, the following terms shall have the following meanings:

8 1. “Action” shall mean the civil action entitled *Shakespeare v. Iron Wall Security, et al.*,
9 San Diego County Superior Court, Case No. 37-2023-00006539-CU-OE-CTL.

10 2. “Defendants” shall collectively mean Iron Wall Security, Inc. and Brad Heaton.

11 3. “Effective Date” means the later of the calendar day following: (a) the 60th day
12 following the date that approval of the Settlement is granted by the Superior Court of California for the
13 County of San Diego, or other court assuming jurisdiction of this matter; (b) if any timely objections or
14 intervenor requests are filed and not subsequently withdrawn, the 60th day after the Court enters an
15 Order or Judgment approving of this PAGA Settlement; or (c) if any timely appeals are filed, the date of
16 the resolution (or withdrawal) of any such appeal in a way that does not alter the material terms of the
17 Settlement. For clarity, the Parties intend for the Effective Date to mean the first day following the date
18 on which the settlement is finally approved with no opportunity for further appeal or modification.

19 4. “IWS” means Defendant Iron Wall Security, Inc (erroneously sued as Iron Wall
20 Security).

21 5. “LWDA” refers to the California Labor & Workforce Development Agency.

22 6. “PAGA” refers to the Labor Code Private Attorneys General Act of 2004, California
23 Labor Code Sections 2698, *et seq.*

24 7. “PAGA Period” shall mean the period from June 1, 2022, through December 15, 2023,
25 unless the number of pay periods between June 1, 2022 and December 15, 2023 exceeds 12,000, in
26 which case the PAGA Period shall be shortened to a date prior to December 15, 2023 where the total
27 number of pay periods worked by the alleged aggrieved employees covered by this Agreement does not
28 exceed 12,000.

1 8. “PAGA Members” shall mean all current and former hourly non-exempt employees by
2 IWS at any time during the PAGA Period.

3 9. “PAGA Fund” shall mean the Total Settlement Payment, less Plaintiff’s Counsel
4 Payment, Plaintiff’s Enhancement Award, if any, the Settlement Administrator Costs, and any other
5 Court mandated or approved deductions.

6 10. “Plaintiff” refers to Ralph Shakespeare, individually and in his capacity as representative
7 of the State of California on behalf of other aggrieved employees.

8 11. “Plaintiff’s Counsel” collectively refers to Nicholas Ferraro, Esq. of Ferraro Vega
9 Employment Lawyers.

10 12. “Parties” collectively refers to Plaintiff and Defendants.

11 13. “Released Claims” shall mean any and all claims, whether known or unknown, that were
12 asserted or could have been asserted based on the factual allegations and legal assertions and allegations
13 set forth in the operative pleading in the Action and/or notices submitted to the LWDA in connection
14 with the Action, whether or not specifically delineated as a claim or cause of action in the Action, to
15 recover civil penalties pursuant to PAGA for any alleged violations by Defendants, including without
16 limitation claims for civil penalties relating to, based upon, or arising out of the Released Parties’
17 alleged failure to pay all wages due, provide minimum wages or pay for all hours worked, failure to pay
18 overtime compensation, failure to provide meal and/or rest breaks, failure to pay proper meal or rest
19 period penalties, failure to keep accurate time records, failure to provide and maintain accurate itemized
20 wage statements, failure to keep accurate employee payroll records, failure to timely pay wages due
21 during or at separation of employment, failure to reimburse all business-related expenses, and claims
22 arising under or relating to the alleged violations of California Labor Code sections 200-206, 210, 221-
23 224, 225-226, 226.3, 226.7, 510, 512, 558, 1174, 1182, 1194, 1197, 1198, 1199, 1193.6, 1174.5, 1197.1,
24 2698-2699, 2800, 2810.3, and 2802 *et seq.* and applicable California Industrial Welfare Commission
25 (“IWC”) Wage Orders, including but not limited to IWC Wage Order Nos. 4, 5 and 9 (Cal. Code Regs.,
26 tit. 8, § 11050) which arose during the PAGA Period. Upon approval, Plaintiff and the LWDA will be
27 forever barred from pursuing against the Released Parties any and all claims for civil penalties under
28 PAGA based upon alleged violations of the California Labor Code, Wage Orders, regulations, and/or

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1 other provisions of law alleged or that could have been alleged to have been violated in, or are
2 reasonably related to, the Action.

3 14. "Released Parties" shall mean Defendants, and each of their past, present and future
4 agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders,
5 stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or
6 partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint
7 employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and
8 future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries,
9 and assigns, and each of them.

10 15. "Settlement Administrator" shall mean CPT Group. selected by the Parties.

11 16. "Total Settlement Payment" shall mean an amount not to exceed One Hundred
12 Thousand Dollars and Zero Cents (\$100,000.00).

13 II. RECITALS

14 17. On or about February 15, 2023, Plaintiff sent a letter to the LWDA on behalf of himself
15 and other aggrieved employees in compliance with California Labor Code section 2699.3 ("PAGA
16 Notice"). Plaintiff seeks to represent himself and all PAGA Members. The LWDA did not indicate that
17 it intended to investigate the alleged violations referenced in the letter, and the 65-day time period
18 permitted for the LWDA to provide such a notification expired.

19 18. On or about February 15, 2023, Plaintiff filed a class action complaint and on or about
20 April 24, 2023, amended his complaint to add a cause of action for civil penalties under the PAGA.

21 19. On December 14, 2023, Plaintiff's Counsel and Defendants' counsel participated in
22 private mediation before an experienced wage and hour mediator, Steve Pearl. Through the mediator's
23 and the Parties' efforts in mediation, the parties were able to reach a settlement of the Action, the terms
24 of which have been formalized in this Agreement.

25 20. Counsel for all Parties have thoroughly investigated the facts relating to the claims
26 alleged in the operative complaint and engaged in significant informal discovery in advance of
27 mediation. Based on their investigation and evaluation of this case, Plaintiff's Counsel have concluded
28 that the settlement is fair, reasonable, and adequate considering all known facts and circumstances,

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1 including the defenses asserted by Defendants, the risks and uncertainties associated with ongoing
2 litigation, the potential inability for the Action to proceed to trial as a PAGA representative action,
3 potential adverse findings regarding liability, the statutory discretion provided to the Court to decrease
4 civil penalties under PAGA, and numerous potential appellate issues.

5 21. Defendants specifically deny, and continue to deny, each and every claim and contention
6 alleged in the Action and have always maintained that they have never engaged in any unlawful acts
7 regarding any of the matters alleged in the Action. Defendants further assert that the Action cannot
8 manageably proceed to trial as a PAGA representative action.

9 **NOW, THEREFORE**, in consideration of the mutual covenants, promises, and conditions set
10 forth, the Parties agree as follows:

11 **III. NON-ADMISSION OF LIABILITY**

12 22. Based on the factual and legal issues involved, the expense and time necessary to
13 prosecute the Action, the risks, uncertainty, and costs of further prosecution, the existence of arbitration
14 agreements with express class waiver clauses, the difficulty of proof necessary to establish a PAGA
15 representative action for purposes of liability, and the relative benefits to the PAGA Members of an
16 expeditious resolution of the Action, the Parties have concluded that the terms set forth in this
17 Settlement are fair, reasonable, adequate, and in the best interests of the PAGA Members.

18 23. By entering into this Settlement, Defendants deny any liability for any of the claims in
19 the Action, as well as any other potential or unknown claims based on wage and hour violations under
20 state or federal law. Neither this Settlement, nor any document referred to or contemplated herein, nor
21 any action taken to carry out this Settlement, is, may be construed as, or may be used as, an admission,
22 concession, or indication by or against Defendants of any unlawful conduct, fault, wrongdoing or
23 liability whatsoever. Defendants specifically deny that they engaged in any unlawful or wrongful
24 conduct against Plaintiff and/or the PAGA Members. Rather, Defendants, and each of them, maintain
25 they always complied with applicable laws governing wages and hours of work for its employees.

26 **IV. TERMS OF THE PAGA SETTLEMENT**

27 **A. *The Total Settlement Payment***

28 24. Defendants shall pay a Total Settlement Payment in a total amount of One Hundred

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1 Thousand Dollars and Zero Cents (\$100,000.00).

2 25. The Total Settlement Payment shall include Plaintiff's Counsel Payment, Enhancement
3 Award to Plaintiff, Settlement Administrator Costs, and the PAGA Fund. In no event shall Defendants
4 be required to pay more than the Total Settlement Payment in connection with the Settlement.

5 26. Defendants shall provide the Total Settlement Payment to the Settlement Administrator
6 within thirty (30) days of the Effective Date.

7 27. At the time of mediation, Defendants represented that there were approximately 12,000
8 pay periods during the period from June 1, 2022, through December 15, 2023.

9 ***B. Enhancement Award To Named Plaintiff***

10 28. Subject to Court approval, Plaintiff shall seek a payment of Five Thousand Dollars
11 (\$5,000.00), to be paid from the Total Settlement Payment, as an enhancement for his services as the
12 PAGA representatives and execution of a general release with respect to Defendants ("Enhancement
13 Award"), in addition to any payment he may otherwise receive as a PAGA Member.

14 29. Defendants will not oppose Plaintiff's request for the Enhancement Award. Plaintiff
15 will be responsible for characterizing this compensation for tax purposes and for paying any taxes owing
16 on said amount. The Enhancement Award, if any, approved by the Court and issued to Plaintiff will be
17 treated as penalties and interest and reported on an IRS Form 1099 to Plaintiff, as required by law. The
18 Parties agree that a reduction by the Court of the requested Enhancement Awards does not constitute a
19 material alteration of the terms of this Agreement and shall not provide a basis for rendering the
20 Settlement void or unenforceable. Any reductions by the Court of the Enhancement Award shall revert
21 to the PAGA Fund.

22 30. General Release by Named Plaintiff:

23 In addition to the Released Claims identified in Paragraph 14, as of the date of approval,
24 Plaintiff fully and finally releases the Released Parties, from any and all claims, known and
25 unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other
26 source of law, including but not limited to claims arising from or related to Plaintiff's employment
27 with IWS ("Plaintiff's Released Claims"). Plaintiff's Released Claims include, but are not limited
28 to, all claims arising from or reasonably related to the Action, including the amended complaint and

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1 PAGA letter. Plaintiff's Released Claims include all claims for unpaid wages, including, but not
2 limited to, failure to pay minimum wages, straight time compensation, overtime compensation,
3 double-time compensation, and interest; the calculation of the regular rate of pay; wages related to
4 alleged illegal time rounding; reimbursement for all necessary business expenses; payment for all
5 hours worked, including off-the-clock work; inaccurate wage statements; improper or unauthorized
6 deductions; failure to keep accurate records; failure to provide wage theft notice; unfair business
7 practices; unpaid meal and rest period premiums; penalties, including, but not limited to,
8 recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time
9 penalties; and attorneys' fees and costs. Plaintiff's Released Claims include all claims arising under
10 the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202,
11 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3,
12 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194,
13 1194.2, 1197, 1197.1, 1197.2, 1198, 2698 et seq., 2699 et seq., 2802, and 2810); all claims arising
14 under: the Wage Orders of the California Industrial Welfare Commission; the California Private
15 Attorneys General Act of 2004 ("PAGA"); California Business and Professions Code section 17200,
16 et seq.; the California Civil Code, to include but not limited to, sections 3287, 3294, and 3336; 12
17 CCR § 11040; 8 CCR § 11060; California Code of Civil Procedure § 1021.5; the California
18 common law of contract; the FLSA, 29 U.S.C. § 201, et seq.; federal common law; and the
19 Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. ("ERISA"). Plaintiff's
20 Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation,
21 discrimination, harassment, punitive damages, and attorneys' fees and costs arising under federal,
22 state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by
23 way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of
24 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, and the
25 California Fair Employment and Housing Act; and the law of contract and tort. This release
26 excludes the release of claims not permitted by law. Plaintiff's Released Claims include all claims,
27 whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those

1 that he now knows or believes to be true with respect to the subject matter of Plaintiff's Released
2 Claims, those claims will remain released and forever barred.

3 Plaintiff agrees to release any and all claims, whether known or unknown, under all federal,
4 state and local statutes, and federal and state common law (including but not limited to those for
5 contract, tort, and equity), including, without limitation, the California Unfair Competition Act
6 (California Business and Professions Code section 17200, *et seq.*) and the California Labor Code
7 against the Released Parties. Plaintiff acknowledges the language of Section 1542 of the California
8 Civil Code, which provides:

9 A general release does not extend to claims that the creditor or releasing
10 party does not know or suspect to exist in his or her favor at the time of
11 executing the release and that, if known by him or her, would have
12 materially affected his or her settlement with the debtor or released party.

13 Plaintiff expressly waives and relinquishes the protection of Section 1542. Plaintiff understands
14 and agrees that claims or facts in addition to or different from those which are now known or believed
15 by Plaintiff to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all
16 claims Plaintiff now has against the Released Parties, whether known or unknown, suspected or
17 unsuspected. Plaintiff expressly acknowledges that the release in this Paragraph is intended to include in
18 its effect, without limitation, all claims Plaintiff did not know or suspect at the time of execution hereof,
19 regardless of whether the knowledge of such claims, or the facts upon which they might be based,
20 would materially have affected the settlement of this matter, and that the consideration given under this
21 Settlement is also for the release of those claims and contemplates the extinguishment of any such
22 claims.

23 31. Plaintiff represents and affirms that he does not have any pending court actions,
24 arbitrations, or other legal proceedings against Defendants other than the Action.

25 ***C. Plaintiff's Counsel Payment of Attorneys' Fees and Costs***

26 32. Plaintiff's Counsel will apply to the Court for an award of attorneys' fees not to exceed
27 one-third (1/3) of the Total Settlement Payment, which is Thirty-Three Thousand and Three Hundred
28 Dollars and Thirty-Three Cents (\$33,333.33). Plaintiff's Counsel will also seek reimbursement of

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1 reasonable litigation costs not to exceed Fifteen Thousand Dollars (\$15,000.00) (Plaintiff's Counsel's
2 attorneys' fees and reasonable litigation costs are collectively referred to as the "Plaintiff's Counsel
3 Payment"). Plaintiff's Counsel will submit declarations in support of their request for Plaintiff's
4 Counsel Payment.

5 33. Defendants will not oppose or object to Plaintiff's Counsel Payment and any request or
6 application for attorneys' fees and costs submitted in connection therewith.

7 34. In the event that the Court does not approve the requested Plaintiff's Counsel Payment,
8 or the Court alters the attorneys' fees and litigation costs sought by Plaintiff's Counsel, the Parties agree
9 that any modifications or reductions by the Court of the requested Plaintiff's Counsel Payment (whether
10 in the aggregate or individually) does not constitute a material alteration of the terms of this Agreement
11 and shall not provide a basis for rendering the Settlement void or unenforceable.

12 35. Plaintiff's Counsel Payment shall be paid from the Total Settlement Payment. Any
13 reductions by the Court of Plaintiff's Counsel's request for attorneys' fees or costs shall revert to the
14 PAGA Fund.

15 ***D. Settlement Administration Fees and Costs***

16 36. Settlement administration shall be done by the qualified, third-party Settlement
17 Administrator agreed to by the Parties and approved by the Court. The Parties agree that the Settlement
18 Administrator Costs shall be paid from the Total Settlement Payment. This includes all fees and costs
19 for postage, envelopes, and computer searches to locate addresses, expenses of the Settlement
20 Administrator to implement and complete the settlement process according to the terms of this
21 Settlement, to calculate payments to individual PAGA Members, any cost associated with the
22 escheatment process for any uncashed or undeliverable settlement checks, to prepare any necessary tax
23 documents, and any other related fees and costs associated with the administrative duties associated with
24 the Settlement (the "Settlement Administrator Costs").

25 37. The Settlement Administrator Costs shall be paid from the Total Settlement Payment.
26 The Settlement Administrator Costs are estimated by Plaintiff's Counsel to not exceed Ten Thousand
27 Dollars (\$10,000.00). Any reductions by the Court or any unused Settlement Administrator Costs shall
28 revert to the PAGA Fund.

1 ***E. PAGA Fund***

2 38. After deducting the Plaintiff's Counsel Payment, Plaintiff's Enhancement Awards, and
3 Settlement Administrator Costs, the remainder of the Total Settlement Payment shall be allocated to the
4 LWDA and PAGA Members (the "PAGA Fund").

5 39. Seventy-five percent (75%) of the PAGA Fund will be sent to the LWDA ("LWDA
6 Payment") and twenty-five percent (25%) of the PAGA Fund will be allocated among the PAGA
7 Members ("PAGA Member Payment"), based on his or her proportionate share of pay periods during
8 the PAGA Period as set forth in Section V(B.).

9 **V. COMPUTATION AND DISTRIBUTION OF TOTAL SETTLEMENT FUND**

10 ***A. Deposit of Total Settlement Payment***

11 40. The Settlement Administrator shall establish a Qualified Settlement Fund ("QSF") for
12 purposes of administering the Settlement. The Settlement Administrator shall furnish the QSF with its
13 own Employer ID Number and calculate all settlement checks required under law based on information
14 that will be confidentially furnished by IWS. All settlement funds will be provided by IWS only. There
15 are no payroll deductions to be calculated under this Settlement since no part of the Settlement will be
16 classified as wages.

17 ***B. Formula for Calculating Share of PAGA Fund***

18 41. The pro-rata portion of the PAGA Fund that is paid to each PAGA Member shall be
19 determined based on the following formula:

20 (a) The payment to PAGA Members will be based on the number of pay periods that each
21 PAGA Member performed work for Defendants during the PAGA Period.

22 (b) The amount to be paid per pay period for each PAGA Member will be calculated by
23 dividing the number of pay periods that the PAGA Member performed work for Defendants during the
24 PAGA Period by the total aggregate number of pay periods all PAGA Members performed work for
25 Defendants during the PAGA Period. The PAGA Member's percentage of the PAGA Period will then
26 be multiplied by the PAGA Member Payment to arrive at the PAGA Member's pro rata share.

27 (c) Defendants' records shall be determinative for purposes of calculating the number of pay
28 periods and any payments to PAGA Members. The Settlement Administrator shall be responsible for

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1 calculating each individual PAGA Member's respective pro-rata settlement payment. PAGA Member
2 payments shall be treated as penalties and interest, for which an IRS Form 1099 will be issued by the
3 Settlement Administrator.

4 ***C. Distribution of PAGA Fund***

5 42. Defendants shall provide the Settlement Administrator with a list of the name, last
6 known address, social security number, and number of pay periods each of the PAGA Members
7 performed work as IWS employees during the PAGA Period within seven (7) business days after the
8 Court issues an Order approving the Settlement. The contact information shall be provided
9 confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the
10 information as private and highly confidential and take all necessary precautions to maintain the
11 confidentiality of contact information of the PAGA Members. This information is to be used only to
12 carry out the Settlement Administrator's duties as specified in this Settlement, shall not be shared with
13 Plaintiff's Counsel, and shall be destroyed promptly once the Settlement Administrator has completed
14 its delineated duties.

15 43. Within thirty (30) calendar days after the Effective Date or the Total Settlement Payment
16 is fully funded, whichever is later, the Settlement Administrator shall pay to the LWDA an amount
17 equivalent to seventy-five percent (75%) of the PAGA Fund, or as otherwise directed by the Court.

18 44. Within thirty (30) calendar days after the Effective Date or the Total Settlement Payment
19 is fully funded, whichever is later, the Settlement Administrator shall distribute to PAGA Members their
20 individual portion of the PAGA Fund (the "Individual Payment"), or as otherwise directed by the Court.
21 Any written content included in the mailing of the Individual Payment to each PAGA Member shall be
22 approved in advance by the Parties.

23 45. Within ten (10) days after the Effective Date or the Total Settlement Payment is fully
24 funded, whichever is later, the Settlement Administrator shall distribute the Plaintiff's Enhancement
25 Award.

26 46. Within ten (10) days after the Effective Date or the Total Settlement Payment is fully
27 funded, whichever is later, the Settlement Administrator shall distribute to Plaintiff's Counsel the court-
28 approved Plaintiff's Counsel Payment.

1 47. The Settlement Administrator will send the Individual Payments to the PAGA Members
2 by First Class U.S. Mail.

3 48. To provide the best notice and delivery of Individual Payments practicable, any
4 Individual Payment returned to the Settlement Administrator as non-delivered shall be sent by First
5 Class U.S. Mail to the forwarding address affixed thereto, if any. If no forwarding address is provided
6 for an Individual Payment that is returned as non-deliverable, the Settlement Administrator shall use the
7 best available technology accessible (e.g., skip tracing, address verification, etc.) to the Settlement
8 Administrator or other mutually agreeable method to locate PAGA Members and will then mail the
9 Individual Payment to the address identified by First Class U.S. Mail. If no valid address is located, the
10 Individual Payment for that individual will be deemed undeliverable. If any PAGA Members cannot be
11 located within two attempts at mailings by the Settlement Administrator, the Individual Payment for that
12 individual will be deemed undeliverable.

13 49. The Settlement Administrator shall maintain a list of the postmark date for the original
14 mailing of the Individual Payment to the PAGA Members, the postmark date of any subsequent mailing
15 to any PAGA Members, and a list of PAGA Members who did not receive the Individual Payment due
16 to the inability to locate a valid address using the procedures described herein or who otherwise could
17 not be located within two attempts at mailing.

18 50. All Individual Payment checks will remain valid and negotiable for 180 days from the
19 date of their initial mailing by the Settlement Administrator. After 180 days from the date of their
20 mailing by the Settlement Administrator, any uncashed checks will be void. For any PAGA Member
21 whose funds are undeliverable and/or who does not cash or negotiate her or his Individual Payment
22 check within 180 days, the funds shall be distributed to the Controller of the State of California to
23 be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et. seq.* for the
24 benefit of the PAGA Member(s) whose funds are undeliverable and/or who did not cash their
25 checks until such time that they claim their property, or the property is otherwise disposed of
26 pursuant to the Unclaimed Property Laws. The Settlement Administrator will send Defendants a list
27 of any such undeliverable funds and/or uncashed checks seven days prior to distributing those funds to
28 the Controller.

1 51. The Settlement Administrator will prepare and issue all appropriate tax forms as
2 required by law, including any IRS Form 1099s to PAGA Members, Plaintiff, and Plaintiff's Counsel.

3 52. The Settlement Administrator shall also prepare any accounting, declaration of
4 completion of distribution of settlement funds, or other settlement administrative task required by the
5 Court to effectuate the Settlement.

6 ***D. Settlement Administration Payment***

7 53. Within ten (10) days after the Effective Date or the Total Settlement Payment is fully
8 funded, whichever is later, the Settlement Administrator shall deduct an amount equivalent to the
9 Settlement Administrator Costs.

10 **VI. RELEASED CLAIMS**

11 ***A. Claims Released by Plaintiff, the LWDA, and the State of California***

12 54. Upon the Effective Date, the LWDA, the State of California, Plaintiff and PAGA
13 Members fully release and forever discharge the Released Parties from any and all Released Claims.

14 ***B. Tax Treatment and Tax Indemnification***

15 55. PAGA Members, including Plaintiff, will assume any tax obligations or consequences
16 which may arise from this Settlement. PAGA Members, including Plaintiff, release any and all claims
17 that they have or may have against Defendants for any claims, demands, deficiencies, levies,
18 assessments, executions, judgments, penalties, taxes, indemnification, and any other recoveries related
19 to any payments made under this Settlement or any compensation provided at any time by Defendants
20 or any of the Released Parties. If any state or federal taxing authority contacts, investigates, or pursues
21 any action against any PAGA Members, including Plaintiff, for their individual share of taxes related to
22 any payments made under this Settlement or any compensation provided at any time by Defendants or
23 any of the Released Parties, each PAGA Member, including Plaintiff, shall be responsible for their own
24 defense of and payment for any claim of unpaid taxes, interest, or penalties brought by any state or
25 federal taxing authority for the PAGA Settlement Member's share of any state or federal tax obligation.
26 PAGA Members agree to hold Defendants and any of the Released Parties harmless and fully indemnify
27 Defendants and any of the Released Parties for any costs, assessments, penalties, taxes, and/or attorneys'
28 fees, which Defendants and any of the Released Parties may incur arising out of any and all claims

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1 made, sought or imposed by the I.R.S., the California Franchise Tax Board, and/or any other federal,
2 state or local taxing board and/or agency in regard to any amounts due, or claimed to be due, by the
3 PAGA Member, if any, to such authority or agency as a result of the tax treatment of the payment
4 described above. If a PAGA Member has questions about any liability to any state or federal taxing
5 authority, they shall contact the Settlement Administrator. The PAGA Members, including Plaintiff,
6 shall not contact Defendants or any of the Released Parties regarding this Settlement or its tax
7 consequences. Nothing herein shall be deemed to constitute tax advice or guidance.

8 56. Any payment to PAGA Members pursuant to this Settlement will not result in additional
9 benefit payments, such as 401(k) or bonus payments.

10 **VII. MISCELLANEOUS PROVISIONS**

11 ***A. Nullification of Settlement Agreement.***

12 57. In the event that: (a) the Court does not approve the Settlement as provided herein; (b)
13 the Court strikes, modifies, or does not approve any material term of this Agreement; or (c) the
14 Settlement does not become final as written and agreed to by the Parties for any other reason, then this
15 Agreement, and any documents generated to bring it into effect, will be null and void, all amounts
16 deposited into the QSF will be returned to Defendants, and the Parties shall be returned to their original
17 respective positions. The Parties' agreement to a representative PAGA Member group is for purposes of
18 Settlement only, therefore, if the Settlement is nullified or void, so too, is the agreement to treat this as a
19 representative action. Should such a nullification occur each of the Parties shall be referred to her, his,
20 its or their respective positions as if this Agreement did not exist. Pursuant to California Evidence Code
21 § 1152, this Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or
22 enforce this Agreement. If this Agreement is not approved or does not become Effective (as defined by
23 the Effective Date), the Parties agree that this Settlement Agreement is void, and remains protected by
24 California Evidence Code § 1152.

25 ***B. Mutual Full Cooperation***

26 58. Plaintiff and Defendants, Plaintiff's Counsel, and Defense Counsel agree to fully
27 cooperate with each other to accomplish the terms of this Settlement, including, but not limited to,
28 execution of such documents and to take such other action as may reasonably be necessary to implement

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1 the terms herein. The Parties agree to use their best efforts and any other efforts that may become
2 necessary by Order of the Court, or otherwise, to effectuate this Settlement.

3 ***C. Parties' Authority***

4 59. The signatories hereto represent that they are fully authorized to enter into this
5 Settlement.

6 ***D. Binding Nature of the Settlement***

7 60. This Settlement shall be binding upon, and inure to the benefit of, the successors or
8 assigns of the Released Parties. Plaintiff represents, covenants, and warrants that he has not directly or
9 indirectly, assigned, transferred, or encumbered any claim, demand, action, cause of action or rights
10 released in the Released Claims in this Settlement. This Settlement also shall be binding upon Plaintiff,
11 the PAGA Members, the State of California, and the LWDA.

12 61. This Settlement may be amended or modified only by a written instrument. No rights
13 under this Settlement may be waived except in writing.

14 62. This Settlement constitutes the entire agreement between Plaintiff and Defendants
15 relating to the terms contained herein. All prior or contemporaneous agreements, understandings, and
16 statements, whether oral or written, whether express or implied, and whether by a party or its counsel,
17 concerning this Settlement are merged herein. No oral or written representations, warranties or
18 inducements have been made to any party concerning this Settlement or its exhibits other than the
19 representations, warranties and covenants contained and memorialized in such documents.

20 63. Paragraph titles or captions contained herein are inserted as a matter of convenience and
21 for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any of its
22 provisions. Each term of this Settlement is intended to be contractual and not merely a recital.

23 ***E. Joint Drafting of Settlement Documents***

24 64. Plaintiff's Counsel and Defense Counsel have arrived at this Settlement as a result of a
25 series of arm's-length negotiations, including a full-day mediation with experienced wage and hour
26 mediator Steve Pearl, Esq., and counsel have taken into account all relevant factors, present and
27 potential risks with ongoing litigation.

28 65. This Settlement has been drafted jointly by Plaintiff's Counsel and Defense Counsel

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS

1 and, therefore, in any construction or interpretation of this Settlement, the same shall not be construed
2 against any of the Parties.

3 ***F. Execution of the Settlement***

4 66. This Agreement may be executed in any number of counterparts, any of which shall be
5 deemed to be the original if fully executed by both Parties. This Agreement may be executed and
6 delivered by facsimile or email and, when fully executed and delivered, this Settlement and photocopies
7 thereof shall be legally binding and enforceable as the original. If an electronic signature is utilized by
8 any signatory to this Agreement the Party and/or our counsel utilizing the electronic signature
9 acknowledge that the electronic signature is binding pursuant to California Civil Code section 1633.1, *et*
10 *seq.* (the “Uniform Electronic Transactions Act”) and that it was obtained by the person for whom it
11 appears, and appropriate measures were taken to protect the security and authenticity of the signatory.

12 ***G. Motion for Settlement Approval***

13 67. Plaintiff’s Counsel shall provide Defense Counsel with initial drafts of the moving
14 papers seeking settlement approval for review and comment. The Parties shall work together in good
15 faith to incorporate changes and finalize the motion for settlement approval.

16 ***H. Continuing Jurisdiction of the Court***

17 68. Pursuant to California Code of Civil Procedure section 664.6, the Parties agree that the
18 Court shall retain jurisdiction over the Parties, and over this Settlement, in order to: (i) monitor and
19 enforce compliance of Settlement, and/or (ii) resolve any disputes over this Settlement or the
20 administration of the benefits of this Settlement.

21 ***I. Invalidity of Any Provision***

22 69. Before declaring any provision of this Agreement invalid, the Court will first attempt to
23 construe the provision as valid to the fullest extent possible consistent with applicable precedents so as
24 to define all provisions of this Agreement valid and enforceable.

25 ***J. No Collateral Attack***

26 70. This Agreement shall not be subject to collateral attack by any PAGA Member after the
27 Effective Date. Such prohibited collateral attacks shall include but not be limited to claims that the
28 PAGA Member failed for any reason to receive notice of the settlement and/or her or his Individual

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS

1 Payment. PAGA Members do not have the right to object or opt out of the Settlement.

2 ***K. Notifications to the LWDA***

3 71. Plaintiff's Counsel shall notify the LWDA of the Settlement at the same time that it is
4 submitted to the Court and take all other steps required to effectuate the Settlement under Labor Code
5 Section 2699(l).

6 ***L. Representations by Plaintiff***

7 72. Plaintiff acknowledges the following:

8 (a) Plaintiff has carefully read and fully understands all of the provisions of this Settlement;

9 (b) Plaintiff knowingly and voluntarily agrees to all of the terms set forth in this Settlement
10 and have not been coerced, threatened, or intimidated into executing this Settlement;

11 (c) Plaintiff was advised, and hereby is advised in writing, to consider the terms of this
12 Settlement and consult with their attorneys before signing this Settlement; and

13 (d) Other than the fees and costs awarded pursuant to the terms of this Settlement, Plaintiff
14 acknowledges that all Parties shall bear their own fees and costs through the conclusion of the Actions.

15 ***M. Representations by Defendant***

16 73. Defendants acknowledge the following:

17 (a) Defendants have carefully read and fully understand all of the provisions of this
18 Settlement;

19 (b) Defendants were advised, and hereby are advised in writing, to consider the terms of this
20 Settlement and consult with its attorneys before signing this Settlement.

21 (c) Other than the fees and costs awarded pursuant to the terms of this Settlement,
22 Defendants acknowledge that all Parties shall bear their own fees and costs through the conclusion of
23 this Action.

24 ///

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26 ///

27 ///

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1 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this
2 Settlement Agreement and Release of PAGA Claims as of the date(s) set forth below and acknowledge
3 that this agreement has been reviewed by counsel of record prior to execution:
4

5 DATED: May 28, 2024
6

RALPH SHAKESPEARE, individually and on behalf
of other aggrieved employees

Ralph Shakespeare

9 DATED: May 22, 2024
10

IRON WALL SECURITY, INC.

[Signature]

By: Brian Horton
Title: CEO