

**SETTLEMENT AGREEMENT OF REPRESENTATIVE ACTION
AND REQUEST FOR COURT APPROVAL**

A. Introductory Recitals; Identification of the Parties

1. Paul Catalano (“Plaintiff”) was employed by Mille Fleurs, Inc. (“Defendant”). After Plaintiff’s employment with Defendants ended, Plaintiff filed a notice with the California Labor & Workforce Development Agency (“LWDA”) regarding allegations of wage-and-hour violations, and seeking the right to pursue a representative action to recover penalties under the Private Attorneys General Act of 2004 (“PAGA”), Labor Code § 2698, *et seq.* On Feb. 09, 2023, Plaintiff filed a class action lawsuit against defendants, Superior Court of the State of California, County of San Diego, Case No. 27-2023-00005841-CU-OE-CTL (“Complaint”). On May 24, 2023, Plaintiff filed a First Amended Complaint (“FAC”), adding a PAGA cause of action, individually, and on behalf of all other similarly aggrieved employees, and for real party in interest, the State of California (“PAGA Action” or “Representative Action”) against Defendants. During his employment, Plaintiff signed a valid arbitration agreement, and Plaintiff and Defendant have agreed the class action has no basis to proceed, and would be dismissed absent this Settlement Agreement. The Parties have stipulated, and the Court has compelled, Plaintiff’s individual claim to arbitration, therefore this Settlement Agreement reflects settlement of the Representative Action in Court (which also contemplates dismissal of the Complaint). Defendants deny the allegations in Plaintiff’s complaint and FAC, deny that they have any liability to Plaintiff; deny that a class action or representative action is appropriate; and deny that they have any liability to any other persons in the alleged representative group.

2. Plaintiff and Defendants engaged in communications and an exchange of information and then lengthy mediation before mediator Jon Adler. The Parties now desire to terminate the Representative Action and settle their respective differences, controversies, and misunderstandings (“Claims”), and have agreed to resolve the Representative Action on terms and conditions which must be reviewed and approved by the Court, and submitted to the LWDA, as provided by California Labor Code Section 2699(l)(2) (“Settlement”).

3. The Parties’ Settlement contemplates that Defendants will pay certain amounts for civil penalties and associated attorney’s fees and costs to settle the Representative Action on behalf of aggrieved employees, further defined in Paragraph B.2., below (“PAGA Group”), in exchange for releases of civil penalty claims and controversies by the PAGA Group and the State of California. This Settlement Agreement (also, “Agreement”) constitutes the terms and conditions upon which the Parties have agreed to settle, and for which they will seek Court and LWDA approval. The Parties acknowledge that each of them denies any wrongdoing whatsoever in connection with one another, and that this Agreement is made solely for the purpose of compromising disputed claims and avoiding the time, expense and uncertainty of litigation. It is understood and agreed that nothing contained in this Agreement shall constitute or be treated as an admission of wrongdoing or liability on the part of Defendants.

B. The PAGA Group

1. Plaintiff's Representative Action includes, but is not limited to, causes of action to recover penalties alleged to be owed to himself and others similarly aggrieved, whom Plaintiff alleges from February 10, 2020 and continuing: (1) were not paid all earned wages and overtime compensation; (2) failure to provide meal periods or compensation in lieu thereof; (3) failure to authorize and permit rest periods or compensation in lieu thereof; (4) failure to pay reporting time pay; (5) failure to pay compensation when due at time of separation of employment; (6) unlawful and unfair business practices; and (7) Labor Code Private Attorneys General Act, as more fully set forth in Plaintiff's notice to the LWDA and his FAC.

2. The Parties agree, for purposes of this Settlement Agreement only, that the "PAGA Period" for which the claims of the PAGA Group will be settled will be from February 9, 2022 to the Final Effective Date of this Agreement, as defined in subsection D.1.C., below. This Settlement Agreement is by and between, and binds and includes Defendants and each member of the "PAGA Group," limited to Defendants' employees, including Plaintiff, who worked for Defendants during the PAGA Period and fall within Plaintiff's definition of similarly aggrieved employees as alleged in Plaintiff's FAC. The Parties further agree that this Agreement settles and resolves all civil penalty claims that the PAGA Group and the LWDA have or may have against Defendants, which arose within the PAGA Period, as to all causes of action and requests for relief asserted and which could have been asserted in the Representative Action.

C. Settlement Amount

1. In exchange for the releases set forth below, Defendants will pay Fifty Thousand Dollars (\$50,000.00) as a "Settlement Amount," without refund or reversion. The Settlement Amount shall be in satisfaction of all requests for relief and payments to the PAGA Group and the LWDA arising from and related to the Representative Action and this Settlement, including but not limited to: all civil penalties and requests for relief and claims for civil penalties under the causes of action alleged in Plaintiff's FAC; all attorney's fees related to the Representative Action; all of the costs and expenses of litigation of the Representative Action; PAGA civil penalties; and any and all other representative claims for relief alleged in the FAC that are or may be alleged to be owed to the PAGA Group, and their representatives and agents. Other than Defendants' obligation to pay the Settlement Amount, Defendants have no other obligation to provide any payment to the PAGA Group as a result of this Settlement.

2. The Settlement Amount will be paid by Defendants in accordance with the terms outlined in Paragraph D.2., below. If a payment due date, as outlined in Paragraph D.2., below, falls on a Saturday, Sunday or Court holiday, it shall be due on the next day that is not a Saturday, Sunday or Court holiday.

3. Under no circumstances shall Defendants' total obligation in this Agreement exceed the Settlement Amount.

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D. Court Approval, Notice to LWDA, and Payment Terms

1. This Agreement is conditional upon both: (a) final approval by the Court pursuant to California Labor Code Section 2699(l)(2), and (b) the LWDA taking no action to intervene or object to the Agreement.

1.A. Plaintiff and his counsel will timely seek approval of this Agreement from the Court. Defendants will not object to nor oppose efforts to obtain the Court's approval, so long as Plaintiff's and his counsel's efforts are consistent with the terms and conditions of this Agreement.

1.B. As required by California Labor Code Section 2699(l)(2), Plaintiff and his counsel will submit a copy of this Agreement to the LWDA at the time it is filed with the Court, and provide Defendants with a Proof of Service. As required by California Labor Code Section 2699(l)(3), within 10 days after the Court's order and/or judgment approving the payment of civil penalties to the PAGA Group and to the LWDA, Plaintiff's counsel will serve such order and judgment to the LWDA, and provide Defendants with a Proof of Service.

1.C. This Agreement will become fully effective and enforceable only after: (a) the Court enters an order and judgment approving of this Agreement, and (b) sixty (60) calendar days have elapsed since the LWDA was served by Plaintiff's counsel with the Court's order and/or judgment approving the payment of civil penalties to the PAGA Group and to the LWDA, and the LWDA (itself, or through the Office of the Labor Commissioner) has taken no action to intervene, object to, or appeal the settlement as detailed in this Agreement; and (c) seventy (70) calendar days have elapsed since entry of the Court's order and/or judgment, and no other person or entity has filed a Notice of Appeal. At that time and those conditions having been met, this Agreement will become effective (the "Final Effective Date") and trigger Defendants' payment obligations, below.

2. The Parties agree the administrator for this case shall be ILYM Group, Inc.. Defendants will distribute the Settlement Amount on the 1st day of the month following the Final Effective Date in compliance with the Court's order and/or judgment, paid to administrator, ILYM Group, Inc..

2.A. Plaintiff and his counsel will seek Court approval for a payment of \$20,000 in attorney's fees and reasonable litigation costs not to exceed \$6,500.00 incurred in the Representative Action from the Settlement Amount. The allowance or disallowance by the Court of any such award of attorney's fees and costs is not conditional to this Settlement Agreement, and will be considered by the Court separately from its consideration of the fairness, reasonableness, adequacy and good faith of this settlement to the PAGA Group and LWDA. Should the Court award less to Plaintiff's counsel than requested, it shall not operate to terminate or cancel this Agreement nor increase Defendants' payment obligation, and the difference between the amount requested and the amount ultimately awarded (if less) will be allocated to the settlement fund to be distributed to the LWDA and the PAGA Group members as provided below. Defendant shall not contest the application of fees and costs.

2.B. Plaintiff and his counsel shall seek Court approval for appointment of administrator,

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ILYM Group, Inc., for an expense not to exceed \$3,500.00.

2.C. Of the amount of money remaining in the Settlement Amount after the Court award as outlined in Paragraph D.2.A. and D.2.B, above, the remainder, defined as the “PAGA Penalty Allocation,” shall be divided as 75% to the LWDA and 25% to the PAGA Group, as provided by Labor Code Section 2699(i) for the settlement of the PAGA claims as stated in Plaintiff’s FAC. Payment to the LWDA in satisfaction of all PAGA civil penalties asserted in Plaintiff’s FAC shall be paid to the State of California (LWDA). Plaintiff’s counsel will file and serve a Notice and Acknowledgement of Satisfaction of Judgment. The amounts allocated as 1099 penalties paid to each PAGA Group member shall be paid without deduction or offset to reflect payment of penalties, and other non-wage amounts, although Defendants may issue PAGA Group members an IRS Form 1099-Misc and/or IRS Form 1099-Int to reflect these payments for penalties and other non-wage amounts made. “Claim Share” means the portion of the settlement monies distributed to each PAGA Group member, which will be calculated by using the PAGA Group members’ “Pay Periods with Potential Wage Issues Implicated” as a percentage of all such pay periods worked by all PAGA Group members within the PAGA Period, and assigning each PAGA Group member a proportionate share of the total, all as shown on **Exhibit 1**. The amount for distribution to the PAGA Group shall be multiplied by each PAGA Group member’s percentage share, the result of which will be each PAGA Group member’s individual Claim Share, which shall be paid as 1099 penalty income.

2.D. The Parties jointly agree that the “Notice of Settlement of Representative Action and Payment of Settlement Share” (“Notice”), attached as **Exhibit 2**, will be distributed to the PAGA Group members at the time each PAGA Group member receives payment for their Claim Share of the Settlement Amount.

3. It is understood and agreed that this is a “no reversion” settlement; that is, Defendants will pay the Settlement Amount without further condition and without reimbursement of any amounts to Defendants, other than in the event this Agreement is not approved by the Court, approval is reversed on appeal, or is voided by the LWDA.

4. Defendants’ owners, officers, directors and management will not, in any way, make any efforts to dissuade PAGA Group members from participating in the Settlement. As to the PAGA Group members who make inquiries directly to Defendants about the settlement, Defendants will instruct its management and supervisory employees to generally respond as follows:

The company has agreed to settle claims for civil penalties related to issues of how certain employees were compensated since February 9, 2022. These claims are disputed, and the settlement does not mean that the company has admitted it has done anything improper. If you have any questions about the nature of the case or the settlement, you may contact the Plaintiff’s lawyers at David C. Hawkes, Esq., Blanchard Krasner & French, 858-551-2440 or David A. Huch, Esq., Law Office of David A. Huch, (909) 463-6363.

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5. Neither Party has made, nor are making any representations to the other Party concerning the taxable status of the exchange of consideration described in this Agreement. Further, each of the Parties acknowledge and agree that no such representations have been made, and that they have not relied on any such representations. The Parties agree that the PAGA Group members is/are and will remain solely responsible for the payment of any taxes, attorney's fees, deficiencies, levies, penalties, fines, fees, assessments and interest (collectively, "Tax Consequences") with respect to the payments described in this Agreement, and will not seek to impose responsibility for any Tax Consequences on Defendants. To that end, the PAGA Group members agree to hold harmless and indemnify Defendants from and against any and all Tax Consequences that may be imposed against either Party by any taxing authority or any court as a result of the payments made.

6. In the event the Parties' settlement is not approved by the Court, is reversed on appeal, or is voided by the LWDA, then Defendants shall have no obligation to make payment to any person or party, or the LWDA. If this Agreement is voided by the LWDA, not approved by the Court or approval is reversed on appeal, it shall have no force or effect, and no Party shall be bound by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying approval; and/or (b) there are any terms and conditions in this Agreement stated to survive the Agreement being voided or not approved.

7. The Parties agree that the Superior Court of the State of California, County of San Diego, and the Judge who approves this Settlement Agreement shall retain jurisdiction over the Representative Action and this Agreement in order to enforce its terms and conditions, and to resolve any dispute regarding this Agreement. To the extent otherwise provided by law, and subject to Court approval, this Agreement is intended to be enforceable pursuant to Code of Civil Procedure Section 664.6.

E. Releases of Settled Claims

1. This Agreement is intended to fully and finally settle and resolve all civil penalty claims alleged by and between the PAGA Group, the LWDA, and Defendants, encompassing the claims and causes of action asserted in Plaintiff's FAC within the PAGA Period, including but not limited to all claims for attorney's fees and costs arising from and related to those claims (collectively, the "PAGA Group Claims"). The released PAGA Group Claims means and includes: any and all liabilities, demands, claims, causes of action, complaints and obligations for civil penalties which are alleged in Plaintiff's FAC, which arose during the PAGA Period, as well as any and all derivative liabilities, demands, claims, causes of action, complaints and obligations for civil penalties which arose during the PAGA Period that could have been alleged in the Representative Action based on the facts and claims alleged therein, whether any of these claims are known or unknown, suspected or unanticipated, and which any of the PAGA Group members or LWDA has, or had, during the PAGA Period against Defendants, only excluding any rights that as a matter of law cannot be waived by this Agreement.

2. Upon the date the Agreement is approved by the Court and for the valuable consideration as provided in this Agreement, all PAGA Group members and the LWDA, agree for themselves, and their spouses, heirs, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, successors-in-interest, principals, agents, representatives, employees,

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attorneys, successors and assigns, and other persons or entities acting on their behalf, that they forever discharge, waive, and release Defendants, Bertrand Hug, Ryan Thorsen, their past, present, and future parents, affiliates, subsidiaries, divisions, predecessors, successors, partners, joint venturers, affiliated organizations, insurers, past, present and future officers, directors, members, trustees, agents, employees, attorneys, contractors, representatives, partners, joint venturers, benefit plans, divisions, units, branches and other persons or entities acting on Defendants' behalf, from any and all claims, demands, obligations, actions, causes of action for civil penalties, which are alleged in Plaintiff's FAC which arose during the PAGA Period, as well as any and all derivative liabilities, demands, claims, causes of action, complaints and obligations for civil penalties which arose during the PAGA Period or which could have been alleged in the FAC based on the facts and claims alleged in the Representative Action, whether any of these claims for civil penalties are known or unknown, suspected or unanticipated, which any of the PAGA Group members has, or had, during the PAGA Period against Defendants. Nothing in this Settlement Agreement shall affect any unemployment insurance or workers' compensation insurance claims, individual wage claims, non-civil penalties claims, or other claims or rights of any PAGA Group member not arising from the PAGA Group Claims within the PAGA Period. It is understood and agreed between the Parties that the above waiver and release of claims is a material term of, and inducement for Defendants to enter into this Agreement.

3. Except as provided elsewhere in this Agreement as to rights and remedies caused by a breach of this Agreement, it is agreed this Agreement, if approved and not voided by the LWDA, shall act as a full and final accord and satisfaction, and as a bar to all PAGA Group Claims by any PAGA Group members and the LWDA that arose during the PAGA Period, regardless of whether such claims are now known. The Parties further acknowledge they understand and agree to waive the provisions with Section 1542 of the California Civil Code, which provides as follows:

CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE.

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

Plaintiff, on behalf of himself, and on behalf of the PAGA Group members and the LWDA, waives and relinquishes any and all rights and benefits which they may have under, or which may be conferred upon them by the provisions of, Section 1542 of the California Civil Code, as well as under any other similar state or federal statute, to the fullest extent they may lawfully waive such rights or benefits pertaining to the released claims, including known and unknown claims.

F. Other Terms of Settlement

1. This Settlement Agreement accomplishes the compromise and settlement of disputed and contested claims and to avoid the cost of litigation. Nothing in this Agreement shall be construed as an admission of any violation of any federal or California statute or wage regulation or of any other non-compliance with or violation of law, statute or regulation by any Party. Nothing about this Settlement shall be construed as an admission of liability, wrongdoing, impropriety or fault whatsoever by Defendants, who expressly deny any liability, wrongdoing, impropriety or fault whatsoever.

2. The Parties agree not to make or issue any statements that would tend to disparage the other related to the Representative Action or this Settlement. Plaintiff's counsel will not issue any press releases publicizing the Agreement and will not identify Defendants in any marketing material or on their websites. Plaintiff's counsel may report the name of the Plaintiff in the case and general terms of the settlement on their web-site or in marketing material without any mention of the Defendants, but otherwise agree not to publish details with any media outlet. If contacted by any media outlet, Plaintiff's counsel will only refer the media outlet to the appropriate court files or records.

3. Plaintiff shall not disclose the fact or the terms of this Agreement, the facts and circumstances giving rise to the Agreement, or the existence of any claim that he has, or may have, that is subject to the release of claims contained in the Agreement, to anyone other than his spouse, registered domestic partner, immediate family members, attorneys and/or tax and financial advisors, or pursuant to court order or subpoena or as otherwise required by law. Should Plaintiff disclose information about this Agreement to his spouse, registered domestic partner, immediate family members, attorneys and/or tax and financial advisors, Plaintiff shall advise such persons that they must maintain the strict confidentiality of such information and must not disclose it unless otherwise required by law. Defendants shall not disclose the fact of the Agreement, the terms of the Agreement, the facts and circumstances giving rise to the Agreement that is subject to the release of claims contained in the Agreement, other than to its officers, directors, accountants, and attorneys, and as required on a need-to-know basis to any other individuals, or in response to questions by the PAGA Group. Plaintiff acknowledges no claim of sexual harassment or sexual assault has been made. Plaintiff agrees not to return to Defendants' place of business.

4. The Parties agree, on behalf of each of them and their respective principals, agents, representatives, employees, attorneys, successors and assigns that they will abide by this Agreement, which terms are meant to be contractual, and further agree they will do such acts and prepare, execute and deliver such documents as may be required in order to carry out the purposes and intent of this Agreement.

5. This Agreement constitutes the complete and entire written settlement and compromise and release by and among the Parties regarding PAGA Claims in Plaintiff's FAC, and contains the complete expression of the terms of the Agreement for which Court approval will be sought, and notice to the LWDA will be given. All previous agreements, representations and negotiations regarding the matters resolved are superseded.

6. Each of the Parties acknowledges no other person, nor any attorney of any other person, has made any promise, representation or warranty whatsoever, express or implied, not contained in this

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Agreement, concerning the subject matters discussed, to induce any Party to execute or authorize the execution of this Agreement, and this Agreement contains the entire agreement between the Parties, and each Party acknowledges he or it has executed this Agreement without reliance upon any such promise, representation or warranty not contained in this Agreement.

7. Each individual signing this Agreement warrants he/she/it has the authority or has been given authority to sign this Agreement on behalf of the Party for whom it is signed.

8. The terms of this Agreement can only be amended or modified in writing, signed by authorized representatives of all of the Parties, stating such modification or amendment is intended. Any such modifications and/or amendments are subject to Court approval and the right of the LWDA to object or intervene.

9. If any provision of this Agreement is found to be illegal or unenforceable, then any such provision shall be deemed stricken and the remaining provisions shall remain in full force and effect. In the event of a breach, this Settlement Agreement may be specifically enforced.

10. Waiver of any one breach of any provision of this Agreement shall not be deemed a waiver of any other breach of any provision of this Agreement.

11. Each of the Parties and their counsel have reviewed and revised this Agreement, and the rule of construction that any ambiguities in an agreement are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Each of the Parties represents and warrants the attorney approving this Agreement as to form on his or her or its behalf is the attorney employed by him or it to represent him or it with respect to this Agreement, and he or it has been fully advised by their attorneys with respect to his or its rights and obligations regarding this Agreement. The Parties declare they understand the contents of this Agreement, and they have executed the same voluntarily.

12. Each of the Parties shall be responsible for his or its own attorney's fees, costs and other legal expenses incurred in connection with the Representative Action and this Agreement; in the event any Party defaults in any duty or obligation required by this Agreement; or in the event any proceeding arises regarding the enforcement or interpretation of this Agreement, the prevailing Party shall be entitled to collect reasonable attorney's fees and costs.

13. All Parties executing this Agreement agree that any signatures by fax, electronic signatures, and/or copies of signatures shall be deemed valid and binding. This Agreement may also be executed in counterparts.

14. By their signature below, Plaintiff's counsel is entering into this Agreement on behalf of Plaintiff and on behalf of the PAGA Group members and the LWDA, all subject to the Court's and LWDA's approval of the Agreement.

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15. This Agreement will survive the entry of final judgment approving the settlement of the Representative Action and releasing the claims of all PAGA Group members.

The Parties have executed this Agreement on the dates indicated below:

Dated: 12/26/2023 _____

DocuSigned by:
By: Paul Catalano
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Paul Catalano

Dated: _____

By: _____
For Mille Fleurs, Inc.

Print Name: _____

Title: _____

Approved as to Form:

Dated: _____

By: _____
Blanchard, Krasner & French
Attorneys for Plaintiff Paul Catalano
By: David Hawkes, Esq.

Dated: _____

By: _____
Harvey C. Berger
Berger & Williams, LLP
Attorneys for Defendant Mille Fleurs, Inc.

15. This Agreement will survive the entry of final judgment approving the settlement of the Representative Action and releasing the claims of all PAGA Group members.

The Parties have executed this Agreement on the dates indicated below:

Dated: _____

By: _____
Paul Catalano

Dated: 12/20/25

By: [Signature]
For Mille Fleurs, Inc.

Print Name: Ryan Thowen

Title: GM

Approved as to Form:

Dated: 12/27/23

By: David Hawkes
Blanchard, Krasner & French
Attorneys for Plaintiff Paul Catalano
By: David Hawkes, Esq.

Dated: 12/26/23

By: [Signature]
Harvey C. Berger
Berger & Williams, LLP
Attorneys for Defendant Mille Fleurs, Inc.

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