

## PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs JOSELINE GUZMAN, LUIS A. CASTRO, and LUIS G. CASTRO-MARTINEZ (“Plaintiffs”) and defendant OAKHURST INDUSTRIES, INC. (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS.

- 1.1. “Action” means the following PAGA lawsuits alleging wage and hour violations against Defendant: *Joseline Guzman v. Oakhurst Industries, Inc., et al.*, Los Angeles Superior Court, Case No.: 23STCV09674 (“Guzman Action”); and *Luis A. Castro, et. al. v. Oakhurst Industries, et al.*, Los Angeles Superior Court, Case No.: 23STCV13084 (“Castro Action”), which will be consolidated by way of amendment for settlement purposes only.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employees” means all non-exempt employees who were employed by Defendant in California and classified as non-exempt employees during the period February 24, 2022, until the date the Court grants PAGA settlement approval (the “PAGA Period”).
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA 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. “Court” means the Superior Court of California, County of Los Angeles.
- 1.8. “Defense Counsel” means Littler Mendelson P.C., the attorneys representing Defendant in the Action.
- 1.9. “Effective Date” means the date by when both of the following have occurred: (a) the

Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

- 1.10. "Gross Settlement Amount" means \$550,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, Plaintiffs' Enhancement Awards, LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.
- 1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. "Judgment" means the judgment entered by the Court granting PAGA Settlement Approval.
- 1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Plaintiffs' Enhancement Awards, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16. "PAGA Counsel" means Boyamian Law, Inc., Koul Law Firm, and Majarian Law Group, APC, the attorneys representing the Plaintiffs in the Action.
- 1.17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. "PAGA Period" means the period from February 24, 2022, until the date the Court grants PAGA settlement approval. If at the time of settlement approval, the number of PAGA Pay Periods exceeds 42,192 Pay Periods, Defendant has elected that the PAGA period will be cut-off as of the date the PAGA Pay Periods reach 42,192.
- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

- 1.21. "PAGA Notice" means the February 24, 2023, letter from Joseline Guzman, and the March 23, 2023, letter from Luis A. Castro and Luis G. Castro-Martinez to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to the LWDA in settlement of PAGA claims.
- 1.23. "Plaintiffs" means Joseline Guzman, Luis A. Castro, and Luis G. Castro-Martinez, the named plaintiffs in the Action.
- 1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25. "Released PAGA Claims" means the claims being released by the Plaintiffs and PAGA Counsel as described in Paragraph 5 below.
- 1.26. "Released Parties" means: Defendant; its present, former, and/or future parents and/or subsidiary corporations; each of the foregoing's present, former, and/or future: owners, officers, directors, shareholders, partners, employees, contractors, clients, insurers, successors, predecessors, assigns, and agents; and any and all agents, representatives and/or attorneys of all of the foregoing entities or individuals.
- 1.27. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28. "Defendant" means named Defendant Oakhurst Industries, Inc.

## **2. RECITALS.**

- 2.1. On February 24, 2023, Plaintiff Joseline Guzman commenced this Action by filing a PAGA Notice letter. Following exhaustion of the 65-day notice period, Plaintiff Guzman filed her PAGA Complaint ("Guzman Complaint") on May 1, 2023 (Los Angeles Superior Court Case No. 23STCV09674, ("Guzman Action")). On March 23, 2023, Plaintiffs Luis A. Castro and Luis G. Castro-Martinez filed a PAGA letter. Following the exhaustion of the 65-day notice period, the Castro and Castro-Martinez Plaintiffs filed a PAGA Complaint ("Castro Complaint") on June 8, 2023, (Los Angeles Superior Court Case No. 23STCV13084, ("Castro Action")) (collectively, the Guzman Complaint and Castro Complaint shall be referred to as the "Operative Complaints," which will be consolidated by way of amendment for settlement purposes only.) Defendant denies the allegations in the Operative Complaints, denies any failure to comply with the laws identified in the Operative Complaints, and denies any and all liability for the causes of action alleged therein.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.
- 2.3. On March 14, 2024, the Parties participated in an all-day mediation presided over by Eve Wagner, Esq. which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiffs obtained key company documents and data, including an approximately 20% sampling of time and payroll records for the alleged Aggrieved Employees through informal discovery.
- 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

### **3. MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$550,000.00 and no more as the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
  - 3.2.1. To PAGA Counsel: Attorney's fees of not more than 3.5% of the Gross Settlement Amount, currently estimated to be \$192,500, and costs of not more than \$25,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an application or motion for 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 less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. 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 Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
  - 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000

except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than the amount stated above, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the Plaintiffs: an amount of not more than \$15,000 to each individual Plaintiff, for a total of no more than \$45,000, which the Court will authorize to be paid to each Plaintiff in recognition of his or her effort and risk in assisting with the prosecution of the Action and in return for executing a General Release with Defendant.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Aggrieved Employee Pay Periods. Based on a review of its records as of the date of mediation, Defendant estimates there are 995 Aggrieved Employees who worked a total 38,357 PAGA Pay Periods from February 24, 2022, through March 14, 2024, the date of mediation.

4.2. Aggrieved Employee Data. Within 14 days of settlement approval, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee's 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, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in

good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount in two equal payments. The first payment of \$275,000 shall be made to the Settlement Administrator within fifteen (15) days of the Effective Date and will include named Plaintiffs' individual settlement payments. The second payment of \$275,000 shall be made within eight (8) months of the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. The Administrator shall make payments from the Gross Settlement Amount in two installments. The first payment shall be made within 14 days after Defendant transmits its first installment under paragraph 4.3, above. The second payment shall be within 14 days after Defendant transmits the second installment under paragraph 4.3, above.

For the first payment, made 14 days after Defendant transmits its first installment payment, the Administrator will issue checks for all Individual PAGA Payments and Plaintiffs' representative service awards. The remaining amount will be distributed pro-rata to pay the first installment of the LWDA PAGA Payment, the first installment of the Administration Expenses Payment, and the first installment of PAGA Counsel's Attorneys Fees' and Expenses payment. The Parties intend that all Individual PAGA Payments be made from the first installment payment to reduce administration costs which increase with each distribution and tax year, and maximize amounts payable to Aggrieved Employees under this Settlement. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

- 4.4.1. 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 Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or 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. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, as requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

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

**5. RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and their former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaints and the PAGA Notices ("Plaintiffs' Release"). Plaintiffs' release includes, but is not limited to, claims for PAGA civil penalties premised on: California Labor Code sections 200-204, 207, 210, 216, 218, 218.5, 221, 223, 225.5, 226, 226.3, 226.7, 510, 511, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.2, 1198, 1199, 2698, and 2699; failure to pay overtime; failure to pay for all hours worked; failure to pay minimum wage; failure to authorize and permit meal periods; failure to authorize and permit rest periods; failure to properly pay meal and/or rest period premiums; failure to timely pay wages at termination; failure to provide accurate itemized wage statements; and violation of record keeping requirements. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

**A general release does not extend to claims that 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.**

**5.2 Release by Aggrieved Employees:**

All Aggrieved Employees are deemed to release the Released Parties from any and all claims, known or unknown, for civil penalties under California Labor Code section 2698 et seq. (PAGA) that were asserted in any and/or all of the complaints in the Guzman Action and Castro Action and/or any of Plaintiffs' letters to the LWDA (including any subsequently amended complaints or letters); and/or any and all claims, known or unknown, that could have been asserted based on the factual allegations in any and/or all of the complaints in the Action and/or any of Plaintiffs' letters to the LWDA (including any subsequently amended complaints or letters). This release includes, but is not limited to, claims for PAGA civil penalties premised on: California Labor Code sections 200-204, 207, 210, 216, 218, 218.5, 221, 223, 225.5, 226, 226.3, 226.7, 510, 511, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.2, 1198, 1199, 2698, and 2699; failure to pay overtime; failure to pay for all hours worked; failure to pay minimum wage; failure to authorize and permit meal periods; failure to authorize and permit rest periods; failure to properly pay meal and/or rest period premiums; failure to timely pay wages at termination; failure to provide accurate itemized wage statements; and violation of record keeping requirements. The release shall run through the date the Superior Court of the State of California, County of Los Angeles grants approval of the settlement.

**5.3 Release by PAGA Counsel:**

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaints and the PAGA Period facts stated in the Operative Complaints and the PAGA Notice.

**6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.**

- 6.1 Plaintiffs' Responsibilities. The Parties intend to consolidate the Action for settlement purposes only and have Settlement Approval be heard before one Court. To that end Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a stipulation for leave to amend the Guzman Complaint in the Guzman Action to add the Castro plaintiffs and any other facts, theories, and claims alleged in the Castro Complaint and Castro Action that is not encompassed in the Guzman Action, (ii) an amended complaint reflecting the same, (iii) draft proposed Order Granting Approval of PAGA Settlement; (iv) 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 Plaintiff, PAGA Counsel or Defense Counsel; (v) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaints (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Responsibilities of PAGA Counsel. Subject to Defense Counsel's review and approval prior to filing, PAGA Counsel shall be responsible for expeditiously preparing, finalizing and filing the stipulation and/or motion for approval of this Settlement no later than 15 days after the full execution of this Agreement 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 order approving the settlement to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or 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.

## **7. SETTLEMENT ADMINISTRATION.**

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. ("ILYM") to serve as the Administrator and verified that, as a condition of appointment, ILYM, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their 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.
- 7.2 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.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that

meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

- 7.4 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 its records, Defendant estimates there were approximately 995 employees who worked 38,357 PAGA Pay Periods from February 24, 2022, through March 14, 2024. If at the time of settlement approval, the number of PAGA Pay Periods exceeds 38,357 by more than ten percent (10%) (for the avoidance of doubt, 110% of 38,357 Pay Periods = 42,192 Pay Periods), Defendant has elected that the PAGA period will be cut off as of the date the PAGA Pay Periods reach 42,192.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

**10. ADDITIONAL PROVISIONS.**

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaints have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for

- proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits 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.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, 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.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. 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 a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendant 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.
- 10.7 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.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 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.

- 10.11 Confidentiality. Plaintiffs and PAGA Counsel agree not to disclose the terms of this settlement except in Court papers or if required by the legal process (including submissions to the Court for purposes of obtaining approval of the settlement or submissions to the LWDA in order to comply with the requirements of PAGA). Neither the Parties nor their counsel shall make or issue any public statements to the press or any other third party, nor post any information on websites or other public forums, concerning the Action in any way.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.13 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.
- 10.14 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.
- 10.15 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 United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Nazo Koulloukian, SBN 263809  
nazo@koullaw.com  
KOUL LAW FIRM  
3435 Wilshire Blvd., Suite 1710  
Los Angeles, CA 90010  
Telephone: 213.761.5484

Sahag Majarian, Esq. SBN 146621  
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Tarzana, CA 91356  
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Michael H. Boyamian, SBN 256107  
michael@boyamianlaw.com  
BOYAMIAN LAW, INC.  
550 North Brand Boulevard, Suite 1500  
Glendale, California 91203-1922  
Telephone: 818.547.5300  
Facsimile: 818.547.5678

To Defendant:

Jaime B. Laurent, SBN 261926  
jlaurent@littler.com  
Nicole Vongchanglor, SBN 278523  
nvongchanglor@littler.com  
LITTLER MENDELSON P.C.  
2049 Century Park East, 5<sup>th</sup> Floor  
Los Angeles, CA 90067  
Telephone: 310.553.0308  
Facsimile: 310.553.5583

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. 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.

10.17 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 that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

*Plaintiffs:*

Dated: June 12, 2024

  
\_\_\_\_\_  
Plaintiff, Joseline Guzman

Dated: June \_\_, 2024

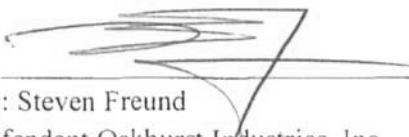
\_\_\_\_\_  
Plaintiff, Luis A. Castro

Dated: June \_\_, 2024

\_\_\_\_\_  
Plaintiff, Luis G. Castro-Martinez

*Defendant:*

Dated: June 18, 2024

  
\_\_\_\_\_  
By: Steven Freund  
Defendant Oakhurst Industries, Inc.

*Approved as to form:*

Dated: ~~June~~ July 19, 2024

  
\_\_\_\_\_  
Jaime B. Laurent  
Nicole Vongchanglor  
Counsel for Defendant

Dated: June \_\_, 2024

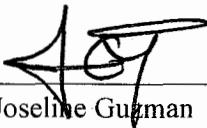
\_\_\_\_\_  
Nazo Koulloukian

Dated: June 13, 2024

  
\_\_\_\_\_  
Michael Boyamian  
Counsel for Plaintiffs

***Plaintiffs:***

Dated: June 12, 2024

  
\_\_\_\_\_  
Plaintiff, Joseline Guzman

Dated: June \_\_, 2024

\_\_\_\_\_  
Plaintiff, Luis A. Castro

Dated: June \_\_, 2024

\_\_\_\_\_  
Plaintiff, Luis G. Castro-Martinez

***Defendant:***

Dated: June \_\_, 2024

\_\_\_\_\_  
By: Steven Freund  
Defendant Oakhurst Industries, Inc.

***Approved as to form:***

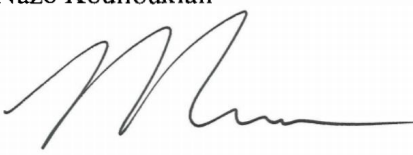
Dated: June \_\_, 2024

\_\_\_\_\_  
Jaime B. Laurent  
Nicole Vongchanglor  
Counsel for Defendant

Dated: June \_\_, 2024

\_\_\_\_\_  
Nazo Koulloukian

Dated: June 13, 2024

  
\_\_\_\_\_  
Michael Boyamian  
Counsel for Plaintiffs

***Plaintiffs:***

Dated: June \_\_, 2024

\_\_\_\_\_  
Plaintiff, Joseline Guzman

6/4/2024

Dated: June \_\_, 2024

DocuSigned by:  
Luis A Castro  
03927607441E4B5

\_\_\_\_\_  
Plaintiff, Luis A. Castro

6/04/2024

Dated: June \_\_, 2024

DocuSigned by:  
Luis G Castro  
03927607441E4B5

\_\_\_\_\_  
Plaintiff, Luis G. Castro-Martinez

***Defendant:***

Dated: June \_\_, 2024

\_\_\_\_\_  
By: Steven Freund  
Defendant Oakhurst Industries, Inc.

***Approved as to form:***

Dated: June \_\_, 2024

\_\_\_\_\_  
Jaime B. Laurent  
Nicole Vongchanglor  
Counsel for Defendant

6/4/2024

Dated: June \_\_, 2024

DocuSigned by:  
Nazo Koulloukian  
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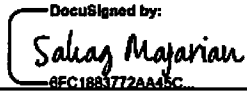
\_\_\_\_\_  
Nazo Koulloukian  
Counsel for Plaintiffs

Dated: June \_\_, 2024

\_\_\_\_\_  
Michael Boyamian  
Counsel for Plaintiffs

6/4/2024

Dated: June \_\_, 2024

DocuSigned by:  
  
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Sahag Majarian, II  
Counsel for Plaintiffs

EXHIBIT A – NOTICE OF PAGA SETTLEMENT

[Date], 202\_\_

[Settlement Administrator Name]

[Settlement Administrator Address]

[Employee Name]

[Employee Street Address]

[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Oakhurst Industries, Inc. Employee:

You have received this notice because Oakhurst Industries, Inc. ("Defendant") records indicate that you work or have worked for Defendant in California at some time between February 24, 2022, and [date of PAGA settlement approval] (the "PAGA Period"). This notice relates to the settlement of two lawsuits titled: *Joseline Guzman v. Oakhurst Industries, Inc., et al.*, Los Angeles Superior Court, Case No.: 23STCV09674; and *Luis A. Castro, et. al. v. Oakhurst Industries, et al.*, Los Angeles Superior Court, Case No.: 23STCV13084 ("Lawsuits").

In the Lawsuits, Plaintiffs Joseline Guzman, Luis A. Castro, and Luis G. Castro-Martinez ("Plaintiffs") seek civil penalties pursuant to the California Private Attorneys General Act ("PAGA"), a law which allows Plaintiffs to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiffs claim were "aggrieved" by alleged violations of the California Labor Code.

Defendant strongly disputes Plaintiffs' allegations and maintains that Defendant has fully complied with all applicable Labor Codes and all other provisions of law. The Court has not issued any ruling regarding the merits of the Lawsuits. Nonetheless, to avoid the cost and distraction of litigation, Defendant has made a business decision to settle the Lawsuits, and the Court has approved the settlement and release of all PAGA claims for civil penalties under California Labor Code § 2698, *et seq.* for violations of Labor Code §§ 200-204, 207, 210, 216, 218, 218.5, 221, 223, 225.5, 226, 226.3, 226.7, 510, 511, 512, 551, 552, 558, 1174, 1174.5, 1194-1197.2, 1198, 1199, 2698, and 2699 and applicable Industrial Welfare Commission Wage Orders.

**The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be transmitted to the state controller unclaimed payment fund in your name.**

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit.

If you have any questions about this notice, please contact the Settlement Administrator, [NAME] at <<number/email>>.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUITS. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASES.