SETTLEMENT AGREEMENT

Jarmar Vinson v. National Security Industries & Services, Inc., Case No: 23CV416392 (Santa Clara County Superior Court) and *Roosevelt Stewart v. National Security Industries & Services, Inc.*, Case No. FCS058497 (Solano County Superior Court)

This Settlement Agreement ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Jarmar Vinson ("Plaintiff Vinson"), Plaintiff Roosevelt Stewart ("Plaintiff Stewart") (both plaintiffs referred to as "Plaintiffs," acting in a private attorney general capacity, and Defendant National Security Industries and Services, Inc. ("Defendant") (collectively, the "Parties").

I. DEFINITIONS

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

1. "Actions" means the matters titled *Jarmar Vinson v. National Security Industries and Services, Inc.*, Santa Clara County California Superior Court Case No. 23CV416392 ("Vinson Action"); and *Roosevelt Stewart v. National Security Industries and Services, Inc.*, Solano County California Superior Court Case No. FCS058497 ("Stewart Action").

2. "Aggrieved Employees" consist of all non-exempt employees who are or were employed by Defendant at any time during the PAGA Period, as defined in Paragraph 13, in the State of California.

3. "Aggrieved Employee Data" means information regarding Aggrieved Employees that Defendant will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Aggrieved Employee's full name; last known address; Social Security Number; start dates and end dates of employment.

4. "Defendant" shall mean Defendant National Security Industries and Services, Inc.

5. "Settlement Administrator" or "Phoenix" shall mean Phoenix Class Action Settlement Administrators.

6. "Complaints" shall mean the operative Representative Complaints in the Actions.

7. "Court" or "Santa Clara Court" means the Superior Court of California for the County of Santa Clara.

8. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

9. "Individual Plaintiff Settlement Payment" means the amounts paid to the Individual named Plaintiffs in exchange for the release of the Individual Released Claims.

10. "LWDA" means the California Labor and Workforce Development Agency.

11. "Gross Settlement Amount" is the non-reversionary sum of One Hundred Thousand Seventeen Five Hundred Dollars and Zero Cents ($117,500), which represents the total amount payable under this Settlement Agreement by Defendant (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiffs' Counsel's attorneys' fees and costs, and payment to the Settlement Administrator for administration costs.

12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiffs' Counsel's attorneys' fees up to one third of the Gross Settlement Amount, currently estimated at Thirty-Nine Thousand One Hundred Sixty-Two Dollars and Seventy-Five Cents ($39,162.75); (b) Plaintiffs' counsel costs up to $15,000.00; and (c) administration costs up to Ten Thousand Dollars and Zero Cents ($10,000.00).

13. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

14. "PAGA Period" means the time period from June 16, 2021, to September 13, 2024.

15. "PAGA Released Claims" mean all claims for statutory penalties under the PAGA that could have been sought by the California Labor Commissioner for the purported violations identified in Plaintiffs' Complaints and in their written notices submitted to the LWDA, including but not limited to the following (collectively, the "Released Claims"): PAGA claims for alleged violations of Labor Code sections 200-204, 210, 226(a), 226(e), 226.3, 226.7, 512, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and all applicable Industrial Welfare Commission Wage Orders ("Wage Order"). "Parties" means, collectively, Plaintiffs and Defendant.

16. "Plaintiffs' Counsel" means Neil M. Larsen, Eli J. Drummond, and Jennifer S. Rivera of the Abramson Labor Group for Plaintiff Vinson ("Vinson's Counsel"); and Manny Starr of the Frontier Law Center for Plaintiff Stewart ("Stewart's Counsel").

17. "Released Parties" means (i) Defendant; (ii) each of Defendant's past, present and future parent organizations, subsidiaries and affiliates, including without limitation any corporation, limited liability company, partnership, trust, foundation and non-profit entity which controls, is controlled by, or is under common control with Defendant; and (iii) all past, present and future shareholders, directors, officers, agents, attorneys, insurers, members, partners, managers, employees, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing.

18. "Effective Date" means the date by when both of the following have occurred: (a) the Court supervising the settlement of these Actions enters a Judgment on the Order Approving the PAGA Settlement and (b) the Judgment is final and is no longer appealable. The Judgment is final and no longer appealable upon the later of: (i) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the Trial Court's approval order may be timely filed, and none is filed; (ii) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the order approving the settlement passes, and no further review is requested; or (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the order approving the Settlement is requested, the day after the review is finally

dismissed or denied with prejudice and/or no further review of the order can be requested. In no event shall Defendant be liable for the payment of any amounts exceeding the Gross Settlement Amount with the exception of any employers' share of payroll taxes that may be due and payable as a result of the settlement of the Plaintiff's individual claims, which tax payments, if any, shall be paid separately from the Gross Settlement Amount.

II. RECITALS

1. Plaintiffs were employed by Defendant as non-exempt employees in California during the PAGA Period, and are therefore Aggrieved Employees.

2. On June 16, 2022, Plaintiff Stewart sent a letter to the LWDA and Defendant alleging that Defendant failed provide Aggrieved Employees code-compliant meal and rest periods or the correct premiums in lieu thereof, failed to pay such employees at least the minimum wage for all hours worked, failed to provide accurate wage statements to such employees, failed to pay all wages due and owing upon the termination of Aggrieved Employees, and failed to reimburse Aggrieved Employees necessary business expenses, for which Defendant was liable for Civil Penalties pursuant to PAGA.

3. On March 8, 2023, Plaintiff Vinson sent a letter to the LWDA and Defendant, alleging that Defendant failed to pay at Aggrieved Employees at least the minimum wage for all hours worked, failed to provide accurate wage statements to such employees, and failed to pay all wages due and owing upon the termination of Aggrieved Employees, for which Defendant was liable for Civil Penalties pursuant to PAGA.

4. On September 16, 2022, Plaintiff Stewart filed the *Stewart* Action. The *Stewart* Action was brought on his behalf, individually, and on behalf of the State of California, and other Aggrieved Employees, as a PAGA action based on violations of Labor Code §§ 201-204, 226, 226.7, 226.3, 512, 558, 1194, 1197, 1197.1, 1198, and 2802.

5. On May 12, 2023, Plaintiff Vinson filed the Vinson Action. The *Vinson* Action was brought on his behalf, individually, and on behalf of the State of California, and other Aggrieved Employees, as a PAGA action based on violations of Labor Code §§ 201-204, 210, 226, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198.

6. The Parties engaged in informal discovery and shared sufficient information and documents necessary to conduct a legitimate investigation into the allegations and potential defenses thereto, and make a careful assessments thereof. The Parties have reached this Settlement only after informal discovery was exchanged (including a sampling of timekeeping, payroll records, and Defendant's policies), an investigation was performed, meet and confer efforts attempted, and a full day of mediation was conducted on July 15, 2024, and after Brandon McKelvey, Esq. acting as a mediator, having heard lengthy presentations from the Parties, including the presentation of various elements of the evidence and legal authorities supporting the parties' respective positions, provided a mediator's proposal.

7. Defendant disputes and denies any wrongdoing or liability of any kind associated with the claims alleged in the Actions. Defendant contends, among other things, that it complied at all times with all local, state, and federal laws, and that the claims alleged in this matter are without merit. Further, Defendant denies Plaintiffs, individually and as representatives of the

Aggrieved Employees, are owed any wages, premiums, expense reimbursements or penalties, as alleged, but recognizes that litigation will be protracted, distracting, disruptive to its operations and costly, and that notwithstanding its belief in its innocence of the allegations that any litigation on such matters carries the risk of adverse factual findings and legal determinations. As a result, Defendant has agreed to pay a reasonable amount to compromise and resolve this matter finally and fully.

8. Plaintiffs, after conducting their own independent investigations and evaluations of the claims alleged in the Actions, and the Defendant's asserted factual and legal defenses, and recognizing that the litigation of their claims will be protracted, distracting, disruptive to their lives, and costly, and that notwithstanding their belief in the validity of their claims that any litigation on such matters carries the risk of adverse factual findings and legal determinations, as evidence and arguments offered through Mediation showed, and Plaintiffs believe and agree that this Settlement Agreement provides a fair, adequate, and reasonable compromise and resolution of Plaintiffs' PAGA Released Claims. Defendant agrees that, given the financial burden of continued litigation, the resolution is fair, adequate, and reasonable.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. The Parties agree that this Settlement Agreement is not evidence that the allegations in the Actions have any merit, nor does it constitute an admission of any wrongdoing by Defendant. Defendant does not admit to liability or to the suitability of this case for representative litigation other than for purposes of settlement. This Settlement Agreement will not be deemed admissible in any other proceeding or in this proceeding other than to effectuate this settlement. If the Court does not grant approval of this settlement, then the Parties revert to their previous positions with respect to the Plaintiffs' PAGA Complaints. However, to the extent the Court does not approve the Settlement, the Parties agree to work together in good faith to amend the settlement to address any concerns of the Court.

2. **Gross Settlement Amount**. Defendant shall pay One Hundred Seventeen Thousand Five Hundred Dollars and Zero Cents ($117,500.00) as the non-reversionary Gross Settlement Amount ("GSA"). Defendant will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Within thirty (30) business days after the Effective Date, Defendant shall transfer the Gross Settlement Amount to the Settlement Administrator to affect disbursement of the Gross Settlement Amount. Except as described in the Escalator Clause set forth in Section 3 below, in no event shall Defendant be liable for the payment of any amounts exceeding the Gross Settlement Amount.

3. **Escalator Clause**. Defendant represents that there are approximately 277 PAGA Employees who worked approximately 10,880 pay periods between June 16, 2021, and the present. If the number of PAGA pay periods is subsequently found to exceed 10,880 by more than 10%, Defendant shall have the sole option to: (i) increase the PAGA Settlement proportionally per additional pay period above 11,968 pay periods (i.e., if there was a 20% increase in the number of pay periods worked by PAGA Employees, Defendant would agree to increase the PAGA Settlement Amount by 20%); or (ii) end the PAGA Settlement period as of the date that the number of PAGA pay periods reaches 11,968.

4. **Net Settlement Amount**. The Parties agree that the following amounts shall be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount ("NSA") to be distributed to the LWDA and Aggrieved Employees:

A. **Plaintiffs' Attorneys' Fees and Costs**. Defendant will not oppose Plaintiffs' Counsel's request for attorneys' fees in the amount up to one-third (1/3) of the Gross Settlement Amount currently estimated to be Thirty-Nine Thousand One Hundred Sixty-Two Dollars and Seventy-Five Cent ($39,162.75) to be split evenly between Plaintiff Vinson's Counsel and Plaintiff Stewart's Counsel, and Plaintiffs' Counsel's costs up to Fifteen Thousand Dollars and Zero Cents ($15,000.00) incurred in prosecuting these Actions. In the event the Court approves less than the requested amounts, the difference will be added to the Net Settlement Amount via the Settlement Administrator. The Settlement Administrator will report these fee and costs payments on an IRS Form 1099 issued to Plaintiffs' Counsel.

B. **Administration Costs**. Defendant will not oppose the Settlement Administrator's costs in the amount up to $10,000.00 for administering the settlement. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. **Reapportionment Does not Void Agreement**. Subject to the provisions of the Escalator Clause in Section 3 above, any reallocation of or reapportionment between the Gross or Net Settlement Amount will not constitute grounds by either party to void this Agreement, so long as the Gross Settlement Amount remains the same.

6. **Allocation of Net Settlement Amount**. One hundred percent (100%) of the NSA shall be designated as "civil penalties" under PAGA with 75% of the payment going to the LWDA and 25% of the payment going to Aggrieved Employees, pursuant to Lab. Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

7. **Settlement Distribution to PAGA Employees**: Aggrieved Employees' individual PAGA payments will be calculated *pro rata* based on the number of pay periods worked by each PAGA Employee during the PAGA Period, by dividing total number of PAGA pay periods worked by an individual employee by the total number of pay periods in the PAGA period worked by all the PAGA employees, multiplied by the total amount of the NSA. All payments made to PAGA employees, in satisfaction of their PAGA claims, will be treated and reported as 1099 income for tax purposes.

8. **PAGA Released Claims**. Upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon the occurrence of the Effective Date and the Settlement being fully funded, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties. Aggrieved Employees do not have the right to opt-out of the Settlement.

9. **Filing and Motion for Approval of PAGA Settlement by Plaintiffs' Counsel**. Plaintiffs' Counsel shall be responsible for preparing and filing this Settlement Agreement, together with a Motion for Approval of the PAGA Settlement with the Court. Plaintiffs will provide Defendant with a draft of the Motion at least three (3) business days prior to the filing of the Motion to give Defendant an opportunity to propose changes or additions to Defendant's defenses as discussed in the Motion.

10. **Filing of Settlement Agreement with the LWDA**. Simultaneously with the filing of the Settlement Agreement and Motion for Approval with the Court, Plaintiffs' counsel shall submit a copy of the Settlement Agreement to the LWDA pursuant to the requirements of Labor Code §2699(l)(2.)

11. **Termination of Settlement Agreement**. If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement. However, before any Party may invoke the right to terminate the Settlement, the Party shall meet and confer in good faith with the other Parties in an effort to modify the Settlement in order to obtain Court approval.

12. **Judgment**. As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the occurrence of the Effective Date and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

13. **Financial Documents**. Because this settlement was negotiated on the basis of Defendant's asserted financial challenges, Plaintiffs' counsel and their accounting expert(s) have the right to review Defendant's corporate tax returns and profit and loss statements for the last three years (subject to the strictest and maximum confidentiality protections, to include mediation and settlement privileges provided by California Rule of Evidence Sections 1119 and 1152) to verify Defendant's financial condition. Should the Court request additional evidence of Defendant's financial condition, Defendant agrees to provide a declaration to verify its financial challenges. Plaintiffs' counsel shall have the right to review the financial documents described above before Plaintiffs' counsel submits a Motion for Preliminary Approval of Settlement in the Court for approval of this Settlement.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator**. The Parties agree to ask the Court to approve Phoenix to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees**. No later than twenty-one (21) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with the Aggrieved Employee Data. Because the Aggrieved Employee Data will contain Social Security numbers, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within 7 calendar days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments, including the number of pay periods each Aggrieved Employee worked during the PAGA Period and the total number of pay periods worked by Aggrieved Employees during the PAGA Period. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments**. Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiffs' Counsel and Defendant's Counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

   A. Calculation and Expiration. The Settlement Administrator will calculate the amount of the Individual PAGA Payment to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.7., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed 100% penalties and reported using IRS Form 1099, with no withholdings taken.

   B. Undeliverable Notices. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

   C. Any checks returned as non-deliverable on or before the check-cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address and/or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

D. Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

4. **Distribution of Payments**. Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to: (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiffs' Counsels' Court-approved attorneys' fees and litigation costs; and (4) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement.

5. **Accounting**. Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

6. **Tax Consequences**. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Aggrieved Employees are not relying on any statement or representation by the Parties in this regard. Aggrieved Employees understand and agree that they will be responsible for the payment of taxes and penalties they owe and that are assessed on the payments described herein, and will hold the Defendant free and harmless from and against any claims, liabilities, costs and expenses, including attorney's fees, resulting in any way from personal tax treatment of the payments made pursuant to this Agreement, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes. Each Party to this Agreement acknowledges and agrees that no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to constitute or be construed or be relied upon as, tax advice.

7. **Circular 230 Disclaimer**. Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

V. MISCELLANEOUS PROVISIONS

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

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

3. **Costs and Fees**. The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Actions and Plaintiffs' claims, except as otherwise set forth specifically herein.

4. **Governing Law**. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the Santa Clara County Superior Court. The prevailing party in any motion or other legal action to enforce this Settlement Agreement shall be entitled to recover his/her/its reasonable attorneys' fees and costs incurred in connection with such legal action.

5. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Actions.

6. **Judgment and Continued Jurisdiction**. As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

7. **Amendment or Modification**. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties, and subject to any necessary Court approval.

8. **Authorization to Enter into Settlement Agreement**. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement.

9. **<u>Execution and Counterparts</u>**. This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

11. **<u>Invalidity of Any Provision</u>**. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

12. **<u>Severability</u>**. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **<u>Waiver</u>**. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

14. **<u>Cooperation and Execution of Necessary Documents</u>**. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties shall cooperate in consolidating or coordinating the Actions for settlement purposes, whichever is most judicially efficient. If the Actions are consolidated, the Parties agree that the *Stewart* action will be consolidated with the *Vinson* action such that Santa Clara County Superior Court will be the appropriate jurisdiction and venue.

15. **<u>Binding Agreement</u>**. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

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

[**SIGNATURES ON FOLLOWING PAGE**]

Dated: 03/26, 2025

Jarmar Vinson (Mar 26, 2025 12:10 PDT)

Jarmar Vinson, Plaintiff

Dated: __________, 2025

Roosevelt Stewart, Plaintiff

NATIONAL SECURITY INDUSTRIES AND SERVICES, INC.

Dated: 03/31/, 2025

Michael Gerami

By: Michael Gerami
Its: Defendant

APPROVED AS TO FORM:

Dated: March 26, 2025

ABRAMSON LABOR GROUP

By: Neil Larsen
Neil M. Larsen
Eli J. Drummond
Jennifer Rivera
Attorneys for Plaintiff

Dated: __________, 2025

FRONTIER LAW CENTER

By: __________
Manny Starr
Attorneys for Plaintiff

Dated: March 31, 2025

LITTLER MENDELSON, P.C.

By: __________
Richard A. Leasia
Nicholas Lansdown
Attorneys for Defendant

Dated: __________, 2025

____
Jarmar Vinson, Plaintiff

Dated: 3/27/2025, 2025

Signed by:
Roosevelt Stewart
319BAAD1BF834B6...
Roosevelt Stewart, Plaintiff

NATIONAL SECURITY INDUSTRIES AND SERVICES, INC.

Dated: 3/31/, 2025

M. Gerami
By: Michael Gerami
Its: Defendant

APPROVED AS TO FORM:

Dated: __________, 2025

ABRAMSON LABOR GROUP

By: ______________________________
Neil M. Larsen
Eli J. Drummond
Jennifer Rivera
Attorneys for Plaintiff

Dated: 3/27/2025, 2025

FRONTIER LAW CENTER

Signed by:
By: Manny Starr
A6FDEB7FB552439...
Manny Starr
Attorneys for Plaintiff

Dated: __________, 2025

LITTLER MENDELSON, P.C.

By: ______________________________
Richard A. Leasia
Nicholas Lansdown
Attorneys for Defendant

EXHIBIT A

Re: ***<u>Payment from Jarmar Vinson v. National Security Industries and Services, Inc.</u>***
Superior Court of California for the County of Santa Clara; Case No. 23CV416392
<u>Payment from Roosevelt Stewart v. National Security Industries and Services, Inc.</u>
Superior Court of California for the County of Solano; Case No. FCS058497

Date: __/__/2024

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuits entitled *Vinson v. National Security Industries and Services, Inc.*, Case No. 23CV416392, pending in the Superior Court of the State of California for the County of Santa Clara (the "Vinson Action"), and *Stewart v. National Security Industries and Services, Inc.*, Case No. FCS058497, pending in the Superior Court of the State of California for the County of Solano (the "Stewart Action") (collectively, the "Actions").

The Actions were filed against Defendant Nation Security Industries and Services, Inc. ("Defendant") and include claims pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The Actions were brought by Plaintiff Jamar Vinson ("Plaintiff Vinson") and Plaintiff Roosevelt Stewart ("Plaintiff Stewart") (collectively, the "Plaintiffs"), who are former employees of Defendant, on behalf of the State of California and other alleged Aggrieved Employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiffs claimed that Defendant owed civil penalties under PAGA for alleged violations of the California Labor Code. The Parties have reached a settlement of Plaintiffs' claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendant who were allegedly affected by the alleged violations of the Labor Code. In agreeing to this settlement, Defendant does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiffs' claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Defendant, your decision to cash the check will not affect your employment.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims for statutory penalties under the California Private Attorneys General Act, California Labor Code § 2698, et. seq. ("PAGA") that could have been sought by the State of California Labor Commissioner for the violations identified in Plaintiff's Complaint and/or in his pre-filing notice letter filed with the LWDA, during the time period June 16, 2021 to September 13, 2024 (the "PAGA Period").

If you have any questions, you can contact Phoenix, the Settlement Administrator, at 1-___-____.