

REPRESENTATIVE SETTLEMENT AGREEMENT

This Representative Action Settlement Agreement ("Agreement") is made by and between Plaintiff Arturo Casillas ("Plaintiff") and Defendant MCLB, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action." The case titled *Arturo Casillas v. MCLB, Inc.*, filed on April 3, 2023, in the Kern County Superior Court, and assigned Case No. BCV-23-101014.

1.2 "Aggrieved Employee." Non-exempt mechanics who worked for Defendant's Lexus Dealership in Bakersfield, California from March 31, 2022 through the date this settlement is approved. These are the employees for whose benefit this PAGA action was brought.

1.3 "Attorneys' Fees and Costs." The Attorneys' Fees agreed upon by the Parties and approved by the Court for Representative Counsel's litigation and resolution of the Action, and all costs incurred and to be incurred by Representative Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, securing the Court's approval of the Settlement, any expert expenses, and securing an entry of Judgment on all claims in the Action which are covered by the Released Claims as defined herein. Representative Counsel will request Attorneys' Fees not to exceed one third (1/3) of the PAGA Settlement Amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), which is a total of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). The Costs requested to be reimbursed will not exceed Eight Thousand Dollars and Zero Cents (\$8,000.00). The Attorneys' Fees and Costs awarded are subject to the Court's approval. Defendant has agreed not to oppose Representative Counsel's request for Attorneys' Fees and Costs as set forth above. Such Attorneys' Fees and Costs shall be paid from the Settlement Amount. Representative Counsel will be issued an IRS Form 1099 for the Attorneys' Fees and Costs detailed in this Section and shall be solely and legally responsible for paying all applicable taxes on the payment made pursuant to this Section. A reduction in the Attorneys' Fees and/or Costs shall not be grounds to nullify this Agreement.

1.4 "Claims Administrator." ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement. The Parties each represent that they do not have any financial interest in the Claims Administrator or otherwise have a relationship with the Claims Administrator that could create a conflict of interest.

1.5 "Claims Administration Costs." The costs payable from the PAGA Settlement Amount to the Claims Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Aggrieved Employee, tax reporting, distributing the PAGA Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement Agreement, and as requested by the Parties. The Claims Administration Costs will be paid from the PAGA Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Claims Administrator as being the maximum costs necessary to administer the Settlement. The Claims Administration Costs are currently estimated to be One Thousand Five Hundred Fifty Dollars and Zero Cents (\$1,550.00). To the extent actual

Claims Administration Costs are greater than One Thousand Five Hundred Fifty Dollars and Zero Cents (\$1,550.00), such excess amount will be deducted from the PAGA Settlement Amount, subject to the Court's approval. The Claims Administration Costs will be paid no sooner than fifteen (15) calendar days following the Effective Date.

1.6 "Representative Counsel" means Employment Lawyers Group on behalf of Plaintiff and Aggrieved Employees.

1.7 "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.

1.8 "Aggrieved Employee Address Search." The Claims 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 Claims Administrator with Aggrieved Employees.

1.9 "PAGA Period" means the period beginning March 31, 2022, through the date the Court signs the Approval Order.

1.10 "PAGA Representative." The named Plaintiff, Arturo Casillas, in the Action seeking Court approval to serve as PAGA Representative.

1.11 "PAGA Settlement Amount" or "Gross Settlement Amount." The sum of no more than the gross amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) to be paid by Defendant in full satisfaction of all claims arising from the Action. The PAGA Settlement Amount shall be paid with 25% of the payment going to the Aggrieved Employees and 75% of the payment going to the LWDA. The PAGA payment will be considered as 100% penalties and paid as 1099 payment.

1.12 "Court" means the Superior Court of California, County of Kern.

1.13 "Defense Counsel" means attorneys Goe Forsythe & Hodges LLP on behalf of Defendant.

1.14 "Effective Date." The date on which the Court approves the PAGA Settlement.

1.15 "Judgment." The Judgment Entered by the Court upon Granting Approval of the PAGA Settlement.

1.16 "LWDA." The California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.17 "Net Settlement Amount." The PAGA Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Representatives Service Payments, Representative Counsel Fees Payment, Representative Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees.

1.18 "PAGA." The Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.19 "PAGA Pay Period." Any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.20 "Plaintiff." Arturo Casillas, the named Plaintiff in the Action.

1.21 "Released Claims" means the claims being released as described in Paragraph 5.1 below.

1.22 "Released Parties" means Defendant MCLB, Inc., all parents, subsidiaries, affiliates and management companies, each of their former and present directors, officers, shareholders, owners, managing agent, attorneys, insurers, predecessors, successors, and assigns.

1.23 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1 Plaintiff is a current employee of Defendant.

2.2 On April 3, 2023, Plaintiff Arturo Casillas ("Plaintiff") commenced the Action. Plaintiff filed a Complaint purporting to allege causes of action against Defendant for: Minimum Wage Violations, Overtime Violations, Promissory Estoppel, California Labor Code § 2802 Violations, California Labor Code § 226 Penalties, California Labor Code § 558 Violations, Business and Professions Code Violations 17200. Defendant denies the allegations in the Complaint and denies any failure to comply with the laws identified in the Complaint and denies any and all liability for the causes of action alleged. The Operative Date for PAGA Penalties started on May 31, 2023, when Plaintiff exhausted administrative remedies.

2.3 On June 6, 2023, Plaintiff filed a First Amended Complaint purporting to allege causes of action against Defendant for: Minimum Wage Violations, Overtime Violations, Promissory Estoppel, California Labor Code § 2802 Violations, California Labor Code § 226 Penalties, California Labor Code § 558 Violations, Business and Professions Code Violations 17200, and PAGA Penalties. Defendant denies the allegations in the First Amended Complaint and denies any failure to comply with the laws identified in the First Amended Complaint and denies any and all liability for the causes of action alleged.

2.4 Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave written notice to the LWDA by sending notice on March 31, 2022. The notice alleges Defendant violated California Labor Code sections 226.3, 226.4, 226.6, 510, 516, 1194, 1194.2, 1197.1, 204, 210, 215, 216, and 2751.

2.5 On February 20, 2025, the Parties participated in mediation presided over by the Abe Melamed, Esq. which led to this Agreement to settle the Action.

2.6 Representative Counsel has conducted a thorough investigation into the facts of the Action, including extensive informal discovery and exchange of a volume of documents and

information, which included and was not limited to, Defendant's production of a sampling of information/data for the Aggrieved Employees to allow Plaintiff to perform an analysis and valuation of all claims. Prior to mediation, the Parties exchanged information and documents to investigate the veracity, strength, and scope of the claims, and to allow analysis and evaluation of the claims and Defendant's defenses thereto. The PAGA Representative has vigorously prosecuted this case, and Defendant has vigorously contested it. The Court has not granted class certification in the Action.

2.7 Without any admission of wrongdoing or liability by Defendant, it is the intention and agreement of the Parties to settle and dispose of, fully and completely, the Released Claims against the Released Parties (defined herein).

2.8 The Parties, Representative 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 PAGA Settlement Amount. Defendant promises to pay the total gross amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) and no more as the PAGA Settlement Amount, not including employer-side payroll taxes. Defendant has no obligation to pay the PAGA Settlement Amount (or any payroll taxes) prior to the deadline stated herein. The Claims Administrator will disburse the entire PAGA Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the PAGA Settlement Amount will revert to Defendant.

3.2 Payments from the PAGA Settlement Amount. The Claims Administrator will make and deduct the following payments from the PAGA Settlement Amount, in the amounts specified by the Court in the Approval:

3.2.1 To Representative Counsel. A Representative Counsel Fees Payment of not more than one third (1/3) of the Settlement Amount of Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), which is a total of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), and a Representative Counsel Litigation Expenses Payment of not more than Eight Thousand Dollars and Zero Cents (\$8,000.00). Plaintiff and/or Representative Counsel will file a motion for Representative Counsel Fees Payment and Representative Litigation Expenses Payment. If the Court approves a Representative Counsel Fees Payment and/or a Representative Counsel Litigation Expenses Payment less than the amounts requested, the Claims Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Representative Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Representative Counsel Fee Payment and/or Representative Counsel Litigation Expenses Payment. The Claims Administrator will pay the Representative Counsel Fees Payment and Representative Counsel Expenses Payment using one or more IRS 1099 Forms. Representative Counsel assumes full responsibility and liability for taxes owed on the Representative Counsel Fees Payment and the Representative Counsel Litigation Expenses Payment, and hold Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or

sharing of any of these Payments. A reduction of the Representative Counsel Fees Payment and/or Representative Counsel Expenses Payment shall not be grounds to nullify this Agreement.

3.2.2 To the Claims Administrator. A Claims Administrator Expenses Payment not to exceed One Thousand Five Hundred Fifty Dollars and Zero Cents (\$1,550.00) 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 less, the Claims Administrator will retain the remainder in the Net Settlement Amount for distribution on a pro rata basis to Alleged Aggrieved Employees.

3.2.3 To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of Forty Thousand Four Hundred Fifty Dollars and Zero Cents (\$40,450.00) to be paid from the Gross Settlement Amount, with 75% (\$30,337.50), allocated to the LWDA PAGA Payment and 25% (\$10,112.50) allocated to the Individual PAGA Payments.

3.2.5.1. The Claims Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$10,112.50 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.

3.2.5.2. The Claims Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT DATA, FUNDING AND PAYMENTS.

4.1 Escalator Clause. Defendant estimates the number of work weeks during the PAGA Period to be 1,000. If the actual number of Workweeks encompassed within the PAGA Period exceeds 1,000 by more than 10%, i.e. 100 or more, then, Defendant at its exclusive discretion may either (a) increase the PAGA Settlement Amount by a pro-rata dollar value for those workweeks in excess of the escalation margin; or (b) end the PAGA Period on the date on which the number of workweeks is no more than 10% higher than 1,000. Under the latter option, which is hereby exercised, no additional payment is necessary.

4.2 Aggrieved Employee Data. Not later than twenty (20) business days after the Court grants Approval of the Settlement, Defendant will deliver the Aggrieved Employee Data to the Claims Administrator, in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Claims 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 Claims 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 Representative Counsel if it discovers that the Aggrieved Employee Data omitted Aggrieved 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 Claims 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 PAGA Settlement Amount. Defendant shall fully fund the PAGA Settlement Amount by transmitting the funds to the Claims Administrator no later than fourteen (14) calendar days following the Effective Date.

4.4 Payments from the PAGA Settlement Amount. Within fourteen (14) calendar days after Defendant funds the PAGA Settlement Amount, the Claims Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Representative Counsel Fees Payment, and the Representative Counsel Litigation Expenses Payment.

4.4.1 Distribution of Settlement Payments and PAGA Notice. The Claims 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 one-hundred eighty (180) calendar days after the date of mailing) when the check will be voided. The Claims Administrator will cancel all checks not cashed by the void date. The Claims Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees. Before mailing any checks, the Settlement Claims Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.4.3 Uncashed Settlement Checks. Any checks issued by the Claims Administrator to Aggrieved Employees will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void. Funds associated with cancelled checks will be transmitted to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue."

4.4.4 Unaffected Benefits. The Individual PAGA Payments made to Aggrieved Employees under this Settlement, and any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,

contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

5. RELEASE. Effective on the date when Defendant fully funds the entire PAGA Settlement Amount, Plaintiff, Aggrieved Employees, and Representative Counsel will release claims against all Released Parties, as follows:

5.1 **Released Claims.** Upon the Effective Date and upon Defendant's fully funding the PAGA Settlement Amount, Plaintiff and Aggrieved Employees shall fully and finally release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to Plaintiff's and the Aggrieved Employees' employment with Defendant and compensation while employees of Defendant. Plaintiff's and Aggrieved Employees' released claims include, but are not limited to, all claims asserted in, arising from, or related to the Action, to include but not limited to the Released PAGA Claims alleged in Plaintiff's LWDA Letter, including, without limitation, Labor Code sections 226.3, 226.4, 226.6, 510, 516, 1194, 1194.2, 1197.1, 204, 210, 215, 216, and 2751. At the present time of the drafting of this Agreement, the Parties have contemplated 952 pay periods consisting of 380 pay periods for claims associated with Labor Code section 2751 and 572 pay periods consisting of all other alleged Labor Code sections. The Parties agreed upon a 1,000 pay period to cover any excess periods while awaiting approval of this Settlement, plus a 10% escalator so that this Agreement releases all claims through 1,100 pay periods.

6. ADMINISTRATION OF TAXES.

6.1 **Tax Treatment of Individual Settlement Payments.** The Individual PAGA Payments will be allocated as 100% penalties and reported on an IRS-Form 1099. The Claims Administrator will issue a check and IRS Form-1099 for the non-wages component. No withholding shall be made on the non-wages portion of the Individual Settlement Payment. The Claims Administrator shall be responsible for issuing the payments and calculating and withholding all required state and federal taxes. The Claims Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not resolved by the Claims Administrator concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of involving the Court.

6.2 **Tax Liability.** Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Aggrieved Employees are not relying on any statement, representation, or calculation by Defendant or by the Claims Administrator in this regard. Plaintiff and Aggrieved Employees understand and agree they will be solely responsible for the payment of their share of any taxes and penalties assessed on the payments described herein.

6.3 **CIRCULAR 230 DISCLAIMER.** EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE

ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT 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 WILL 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 SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT 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 ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'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 SETTLEMENT AGREEMENT.

7. MOTION FOR APPROVAL OF PAGA. PAGA Representative and Representative Counsel agree to prepare and file a motion for approval ("Motion for Approval").

7.1 Responsibilities of Counsel. Representative Counsel is responsible for expeditiously finalizing and filing the Motion for Approval no later than thirty (30) calendar days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Approval; and for appearing in Court to advocate in favor of the Motion for Approval. Representative Counsel is responsible for delivering the Court's Approval to the Claims Administrator.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Claims Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Claims Administrator and verified that, as a condition of appointment, ILYM Group, Inc. 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 Claims Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

8.3 Qualified Settlement Fund. The Claims Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

8.4 Notice to Aggrieved Employees.

8.4.1 No later than three (3) business days after receipt of the Aggrieved Employee Data, the Claims Administrator shall notify Representative Counsel that the list has been received and state the number of Aggrieved Employees, Workweeks, and Pay Periods in the Aggrieved Employee Data.

8.4.2 If the Claims Administrator, Defendant, or Representative Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Aggrieved Employee Data, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Aggrieved Employees. If the Parties agree, such persons will be Aggrieved Employees entitled to the same rights as other Aggrieved Employees.

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

8.5.1 Weekly Reports. The Claims Administrator must, on a weekly basis, provide written reports to Representative Counsel and Defense Counsel that, among other things, tally the number of checks mailed for Individual PAGA Payments ("Weekly Report").

8.5.2 Claims Administrator's Declaration. Not later than fourteen (14) calendar days before the date by which Plaintiff is required to file the Motion for Approval of the Settlement, the Claims Administrator will provide to Representative Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of PAGA Payment, the PAGA Payments returned as undelivered, the re-mailing of PAGA Payments, and attempts to locate Aggrieved Employees. The Claims Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Representative Counsel is responsible for filing the Claims Administrator's declaration(s) in Court.

8.5.3 Final Report by Settlement Claims Administrator. Within ten (10) calendar days of the Void Period, the Claims Administrator will provide Representative Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Claims Administrator will prepare, and submit to Representative Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Representative Counsel is responsible for filing the Claims Administrator's declaration in Court.

9. NULLIFICATION OF AGREEMENT. In the event: (i) the Court does not enter the Approval Order and approve the Released Claims specified herein; (ii) the Court does not approve the Settlement as provided herein; or (iii) the Settlement does not become final for any other reason

(e.g., an objection by the LWDA), this Settlement Agreement shall be null and void. A reduction of the Attorneys' Fees and Costs shall not be grounds for nullification of this Settlement. If the Settlement is nullified, any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Claims Administrator, unless stated otherwise in this Agreement, shall be paid equally by both Parties. The Parties agree that they will cooperate and take all steps necessary in order to obtain approval in the event that the Court raises issues or questions about this Settlement or anything pertaining to this Settlement. If this settlement is not initially approved, the Parties will work in good faith to come to terms the court will approve.

10. MOTION FOR APPROVAL. Not later than sixteen (16) court days before the calendared Approval Hearing, Plaintiff will file in Court, a motion for approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Approval Order and a proposed Judgment (collectively "Motion for Approval").

10.1 Duty to Cooperate. If the Court does not grant Approval or conditions Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Aggrieved Employees), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Approval. The Court's decision to award less than the amounts requested for the Representative Counsel Fees Payment, Representative Counsel Litigation Expenses Payment and/or Claims Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

10.2 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.

10.3 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Costs Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Aggrieved Employees, 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 an objector 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.

11. ADDITIONAL PROVISIONS.

11.1 Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

11.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Aggrieved Employee to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Representative Counsel's ability to communicate with Aggrieved Employees in accordance with Representative Counsel's ethical obligations owed to Aggrieved Employees.

11.3 Confidentiality. Neither Plaintiff nor Plaintiff's Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Plaintiff and Plaintiff's Counsel agree that, prior to providing submission of this Agreement to the LWDA and the filing of their Motion for Approval of the Settlement, they will keep the terms of this Settlement confidential except for purposes of communicating with Plaintiff only. Plaintiff shall be informed that the Settlement is confidential and shall be advised to keep the Settlement confidential. From and after Approval of the Settlement, the Aggrieved Employees (including Plaintiff and Representative Counsel) may: (1) as required by law; (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as Representative Counsel, comment regarding the specific terms of the Settlement. In all other cases, Plaintiff and Representative Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written or electronic (including the world wide web), to say the Action has been resolved and that Plaintiff and Representative Counsel are satisfied with the Settlement terms. Nothing in this Section is intended to interfere with Representative Counsel's duties and obligations to faithfully discharge their duties as Representative Counsel, including but not limited to, communicating with Aggrieved Employees regarding the Settlement. This Settlement shall not be advertised or mentioned on any source, including Plaintiff's Counsel's personal or firm website(s).

11.4 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.

11.5 Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

11.6 Contractual Terms. Each term of this Agreement is contractual and not merely a recital.

11.7 Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

11.8 Modifications. The Parties agree that the provisions of this Agreement may not be modified by any subsequent agreement unless the modifying agreement is: (i) in writing; (ii) specifically references this Agreement; (iii) signed by Plaintiff; and (iv) signed and approved by an authorized officer of Defendant.

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

11.10 Invalidity of Any Provision. 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.

11.11 Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

11.12 Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument. The Parties expressly agree to the use of authorized electronic signature (e.g., DocuSign).

11.13 Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent 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. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of Abe Melamed, Esq. (mediator) to resolve such disagreement.

11.14 Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. 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.

11.15 Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

11.16 Waiver. 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.

11.17 Enforcement Action. If one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement action.

11.18 Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

11.19 Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Representative Counsel warrant and represent that there are no liens on the Settlement Agreement.

11.20 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 legal holiday, such date or deadline shall be on the first business day thereafter.

11.21 Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, 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. Plaintiff, and not Plaintiff's representative(s), must personally execute this Settlement Agreement.

11.22 Use and Return of Aggrieved Employee Data. Information provided to Representative Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Aggrieved Employee Data provided to Representative 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 date when the Court discharges the Claims Administrator's obligation to provide a Declaration confirming the final 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 Court's discharge of the Claims Administrator's obligation, Defendant makes a written request to Representative Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

11.23 Miscellaneous. The Parties have full authority to enter into this Agreement and to be bound by it. The Parties are voluntarily entering into this Agreement free of any duress or coercion. This Agreement may be executed by the Parties in any number of counterparts, which are defined as duplicate originals, all of which taken together shall be construed as one document. A signature by facsimile on this Agreement shall be as legally binding as an original signature. This Agreement shall be construed and governed by the laws of the State of California.

PLEASE READ CAREFULLY

**THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE INCLUDES
A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS**

The Settlement Agreement consists of 15 pages with signatures appearing below.

PLAINTIFF Arturo Casillas

Signature: 
Arturo Casillas (Mar. 13, 2025 14 10 PDT)

Date: Mar 13, 2025

DEFENDANT MCLB, Inc.

Print Name: Jorge Pique

Date: 3/13/25

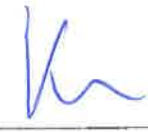
Title: COO

Signature: 

SIGNED AS TO FORM:

Dated: 3-18-25

EMPLOYMENT LAWYERS GROUP

By: 

Karl Gerber, Esq.
Attorney for Plaintiff ARTURO CASILLAS

Dated: March 28, 2025

GOE FORSYTHE & HODGES LLP

By: 

Ron Hodges, Esq.
Lauren E. Raya, Esq.
Attorneys for Defendant, MCLB, INC.

PAGA Long Form Settlement Agreement - Final

Final Audit Report

2025-03-13

Created:	2025-03-13
By:	Legal Assistant (legalassistant@emplaw.net)
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