PAGA SETTLEMENT AGREEMENT

This Settlement Agreement (this "Agreement" or "Settlement") is made by and between plaintiff Maria Reyes ("Plaintiff"), on behalf of herself and the State of California, and defendant Lyneer Staffing Solutions, LLC ("Lyneer" or "Defendant") and Plaintiff are referred to as the "Parties" and each a "Party."

I. DEFINITIONS

In addition to other terms defined in this Settlement, the terms below have the following meaning in this Settlement:

A. "Action" means the civil action titled, "*Maria Reyes, on behalf of all aggrieved employees vs. Lyneer Staffing Solutions, LLC; and DOES 1-40, inclusive*," pending before the Superior Court of California, County of San Bernardino (the "Superior Court"), Case No. CIVSB2317672.

B. "Covered Period" or "PAGA Settlement Period" means the period from April 4, 2022 through October 15, 2024.

C. "Complaint" means the PAGA Complaint for penalties, filed by Plaintiff in the Action.

D. "Final" means that the Settlement has been approved by the Superior Court.

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

F. "LWDA Payment" means the payment made from the Net Settlement Amount to the LWDA under the Settlement as its share of the settlement for PAGA penalties.

G. "Net Settlement Amount" means the amount from the Total Settlement Amount that is available for distribution to the Settlement Group Members and the LWDA after deduction for: (1) the Representative Plaintiff's Payment, (2) Plaintiff's Counsel Fees and Expenses Payment, and (3) the Settlement Administrator's fees and expenses.

H. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.*

I. "PAGA Counsel" means Torey Joseph Favarote and David H. Danning of Gleason & Favarote LLP.

J. "PAGA Counsel Fees and Expenses Payment" means the amount awarded to Plaintiff's Counsel by the Superior Court for their attorneys' fees and all out-of-pocket costs and expenses incurred in connection with the Action, including the commencement and prosecution of the Action and all related litigation activities, this Settlement (including documenting the Settlement, securing court approval of the Settlement, attending to the administration of the Settlement, and obtaining dismissal of the Action), and all post-Settlement compliance procedures.

K. "Released PAGA Claims" means to claims alleged in the Complaint based on the facts and theories of liability set forth in the Complaint and Plaintiff's PAGA Notice to the LWDA dated April 4, 2023, for violations of Labor Code sections 201, 202, 202(a), 203, 226, 226(a), 226(b), 226.7, 510, 512, 558, 558.1, 1174, 1175, 1194, 1194.2, 1197, 1197.1, 1198 and 2802, as well as the IWC Wage Orders for Defendant and the 23 clients of the Defendant listed below in section N.

L. "Representative Plaintiff's Payment" means the $10,000.00 payment, or whatever amount is awarded by the Superior Court to be made to Plaintiff from the Total Settlement Amount intended to compensate Plaintiff for her initiation and prosecution of the Action, and her general release of claims pursuant to this Settlement.

M. "Settlement Administrator" means Apex, the administrator proposed by the Parties and to be appointed by the Superior Court to administer the Settlement.

N. "PAGA Settlement Group Member" means Plaintiff and all temporary non-exempt employees of Defendant who were assigned to perform work at one of the following clients listed below during the Covered Period:

1. 4EXCELSIOR
2. Calerie Health Hldg LLC
3. Cosmetic Enterprises, Ltd.
4. Craftech Corporation
5. DG LOGISTICS
6. Expert Coatings & Graphics, Inc.
7. Fantasy Files Inc.
8. Fashion Logistics (Branch 80)
9. Killer Merch, LLC- 20630 PLUMMER
10. Killer Merch,LLC- 9541 MASON
11. Lacerta Group, LLC.
12. Linzer Products Corp.
13. NTDS 2-80-MSP

14. O.C. Pallets
15. PINTO EXPRESS INC
16. SANTA FE WAREHOUSE-COMMERCE
17. Sojo Industries
18. Sojo Industries (Nevada)
19. Three Hands Corporation-Unloaders
20. Under Armour-Fontana
21. UNIQUE LOGISTICS INTERNATIONAL (90)
22. UPS CA 01
23. World Wide Logistics Group (NTDS)CA

O. "Settlement Share" means a Settlement Group Member's share of 25% of the Net Settlement Amount. A Settlement Group Member's Settlement Share will be calculated based on the ratio of his or her pay periods worked during the Covered Period to the total pay periods worked for all Settlement Group Members during the Covered Period.

P. "Total Settlement Amount" means the $925,000.00 total settlement amount that Defendant is obligated to pay in connection with the Settlement.

Q. "Settlement Notice" means the notice of this Settlement which will be sent to the PAGA Settlement Group Members along with their individual Settlement Share. The Settlement Notice shall be distributed in Spanish and English.

II. RECITALS

A. On April 4, 2023, Plaintiff served a letter on the LWDA and Defendant, pursuant to California Labor Code section 2699.3, notifying the LWDA of the Defendant of alleged violations by Defendant of California Labor Code sections 201, 202, 202(a), 203, 226, 226(a), 226(b), 226.7, 510, 512, 558, 558.1, 1174, 1175, 1194, 1194.2, 1197, 1197.1, 1198 and 2802, and IWC Wage Orders, with respect to non-exempt employees employed by Lyneer in California. The LWDA declined to investigate the alleged violations.

B. On August 1, 2023, Plaintiff commenced the Action, asserting a claim for civil penalties under PAGA based on allegations that, with respect to non-exempt employees employed by Defendant in California, Defendant failed to: (1) pay minimum, regular and overtime wages for all time worked on the clock and under the control of the Defendant, including rounding of work time; (2) provide legally compliant meal periods and rest breaks; (3) provide correct and proper itemized wage statements; (4) maintain accurate and complete time records of when employees started and ended work for the day including the start and end time of meal periods; and (5) timely pay final wages.

C. The Parties conducted substantial discovery, including three days of person most knowledgeable depositions of Defendant's corporate representative, two days of Plaintiff's deposition, four depositions of Defendant's branch managers and regional vice president, the hearing on motions to compel the production of documents and responses to interrogatories, the actual production of over 680,000 pages of documents and at least half a dozen informal discovery conferences on discovery. Trial was scheduled for October 20, 2025.

D. On October 9, 2025, the Parties participated in a Mandatory Settlement Conference presided over by Hon. Joseph T. Ortiz. During the Mandatory Settlement Conference, the Parties were present, and each was represented by its respective counsel in the Action. The Parties recognized the substantial risk of an adverse result in the Action and agreed to a full and complete resolution of the Action on the terms set forth in this Agreement. The terms of this Settlement were stated on the record and agreed to by the Parties on the record before the Court at the conclusion of the Mandatory Settlement Conference with the Honorable Joseph T. Ortiz.

E. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended to be or will be construed as an admission by Defendant that Plaintiff's claims in the Action have merit or that they have any liability to Plaintiff or the PAGA Settlement Group Members, or as an admission by Plaintiff that Defendant's defenses in the Action have merit. On the contrary, Defendant denies all of Plaintiff's material allegations and maintain that it bears no liability to Plaintiff, the State of California, or any PAGA Settlement Group Member.

Based on these Recitals, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

A. **Total Settlement Amount.** Subject to Court approval of the Settlement, the Total Settlement Amount that Defendant will be obligated to pay in connection with the Settlement is Nine Hundred, Twenty-Five Thousand Dollars ($925,000.00). The Total Settlement Amount will cover: (i) all Settlement Shares to PAGA Settlement Group Members; (ii) the LWDA Payment; (iii) the Representative Plaintiff's Payment; (iv) the Plaintiff's Counsel Fees and Expenses Payment; and (v) the Settlement Administrator's fees and expenses.

B. **Payment of the Representative Plaintiff's Payment.** The Representative Plaintiff's Payment will be paid in one lump sum, without payroll tax deductions and withholding as it is all a penalty payment, but Plaintiff will be issued a Form 1099 MISC with respect to the enhancement payment.

C. **Payment of Net Settlement Amount.** The Net Settlement Amount will be paid as follows:

1. 25% of the Net Settlement Amount will be paid to Settlement Group Members as their Settlement Shares. As the Settlement Shares will be for civil penalties they will be treated as penalties for tax purposes and a form 1099 will be issued to them.

2. 75% of the Net Settlement Amount will be paid to the LWDA as its LWDA Payment.

D. **Calculation of Settlement Shares.** For purposes of calculating a PAGA Settlement Group Member's Settlement Share, each Settlement Group Member will receive an amount that bears the same ratio to his or her pay periods worked during the Covered Period to the total number of pay periods worked of all Settlement Group Members during the Covered Period.

E. **Update PAGA Member List.** By February 20, 2026, Defendant, as agreed to on the record, will provide PAGA Counsel with an updated list of the names of the PAGA Settlement Members and the number of pay periods that they worked for the Defendant during the Covered Period.

F. **Payments.**

1. Within fifteen (15) days after the Superior Court's order approving the Settlement:

   a. Lyneer will provide to the Settlement Administrator the names, last known mailing addresses, telephone numbers, Social Security Numbers, and total pay periods worked by all PAGA Settlement Group Members during the Covered Period (the "Settlement Group Member Information").

   b. The Settlement Administrator will also provide Defendant with wire-transfer information.

2. Within ten (10) days after the Settlement Administrator provides Defendant with the wire-transfer information, Defendant will wire-transfer the Total Settlement Amount to the Settlement Administrator. Defendant's obligation to fund the Settlement will be 90 days after the Settlement is approved by the Superior Court but at the earliest it shall not be done until April 9, 2026.

3. Within ten (10) days after Defendant's funding of the Settlement, the Settlement Administrator will pay the Settlement Shares along with the

Settlement Notice in both English and Spanish, the LWDA Payment, the Representative Plaintiff's Payments, the Plaintiff's Counsel Fees and Expenses Payment, and the Settlement Administrator's fees and expenses.

G. **Disposition of Uncashed Settlement Share Checks.** If a Settlement Share check comes back to the Settlement Administrator as non-deliverable, the Settlement Administrator will make reasonable efforts to find a current address for the Settlement Group Member and re-mail the check. If a Settlement Group Member fails to cash the check for his or her Settlement Shares within 120 days after it is mailed to the Settlement Group Member (or, in the case where the check was returned as non-deliverable, within 120 days after it is mailed to the new address for the Settlement Group Member), the Settlement Administrator will transfer the money represented by the check to the California State Controller's Office Unclaimed Property Fund in the name of the Settlement Group Member.

H. **Process for Court Approval.**

1. The Parties will cooperate in seeking approval of the Settlement. A motion for PAGA settlement approval will ask the Superior Court to: (1) approve the Settlement and (2) dismiss the Action with prejudice as to PAGA Settlement Group Members for the Settled PAGA Claim during the Covered Period, each side to bear its own costs and attorneys' fees except as provided by the Settlement. Pursuant to PAGA, Cal. Lab. Code § 2699(*l*)(2), the Settlement will be sent to the LWDA at the same time it is filed with the Superior Court.

2. At the same time PAGA Counsel files the motion for PAGA settlement approval, Plaintiffs will file a motion for approval of: (1) a Representative Plaintiff's Payment of $10,000.00 and (2) a Plaintiff's Counsel Fees and Expenses Payment of 33% of the Total Settlement Amount or ($305,250.00) for attorneys' fees plus up to $53,000 for actual litigation costs. Defendant will not join in this motion, but also will not oppose it. In the event the Superior Court approves a payment less than any of these amounts, the difference will be retained as part of the Net Settlement Amount.

3. The Parties will cooperate in the drafting and/or filing of any additional documents reasonably necessary to be prepared or filed and will take all steps that may be requested by the Superior Court relating to the approval and implementation of the Settlement.

4. This Agreement does not grant any right for any PAGA Settlement Group Member to object, opt out or otherwise exclude himself or herself from the Settlement, or any right to appeal from the approval of the Settlement by the Superior Court.

5. If the Superior Court does not approve the Settlement without material modification, the Parties will meet and confer to address the Superior Court's concerns. A modification of the Representative Plaintiff's Payments or the Plaintiff's Counsel Fees and Expenses Payment will not be deemed a material modification of the Settlement.

6. Pursuant to California Labor Code section 2699(*l*)(3), the Parties will submit to the LWDA a copy of the Superior Court's order approving the Settlement within 10 days after entry of the order.

I. **Releases of Claims.**

1. **By Plaintiff Only**. In consideration of the Settlement and her Representative Plaintiff's Payment, as of the date of full funding of the Settlement by Defendant, on behalf of herself and her heirs, successors, agents, and all other related persons or entities who could assert a claim based on her employment and/or dealings with Defendant, waive and release any and all claims against Defendant and its parents, predecessors, successors, subsidiaries, affiliates, clients, trusts, employees, officers, agents, attorneys, stockholders, fiduciaries, other service providers, and related persons and entities, and assigns (the "Plaintiff's Released Parties"), including but not limited to the claim and allegations raised in the Action and those arising from or related to Plaintiff's employment with Defendant (the "Plaintiff's Released Claims"). The Plaintiff's Released Claims include, but are not limited to, claims arising under (as amended) Title VII of the Civil Rights Act, 42 U.S.C. section 1981, the Americans with Disabilities Act, the Vocational Rehabilitation Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Fair Employment and Housing Act, the California Civil Code, the California Labor Code (including PAGA), and all other federal, state and local laws regulating employment. The Plaintiff's Released Claims include all claims, whether known or unknown. Thus, even if Plaintiff discovers facts in addition to or different from those that she now knows or believes to be true with respect to the subject matter of the Plaintiff's Released Claims, those claims will remain released and forever barred. Notwithstanding anything contained herein, the Plaintiff's Released Claims do not cover any pending workers' compensation claims.

2. **Waiver of Section 1542.** In granting the release of claims set forth above for Plaintiff only, she hereby expressly waives the protection of California Civil Code section 1542, which states:

> 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.

J. **Tax Indemnification.** Plaintiff and PAGA Counsel agree that they are solely responsible for all tax obligations, including, but not limited to, all payment obligations, which may arise as a consequence of payments to them under this Settlement, that upon full funding of the Settlement they will hold the Released Parties, as defined above, harmless from and against any and all costs and expenses, including, interest, assessments, withholding and penalties, arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds paid to them as a result of this Settlement, and that they will not make any claim against the Released Parties for any costs or expense if an adverse determination is made by a tax agency in connection with the non-withholding or other tax treatment of payments made to them under this Settlement.

K. **Fair, Adequate, and Reasonable Settlement.** The Parties agree that the Settlement is fair and reasonable and will so represent to the Superior Court.

L. **Admissibility of Agreement.** This Agreement and the audio of the Settlement on the record may be introduced into evidence to prove the fact and terms of the Settlement.

M. **No Admission of Liability.** Neither this Agreement nor any other documents prepared in connection with this Settlement are in any way an admission of liability by Defendant or any other party. In particular, this Agreement may not be used in any future proceeding as an admission by any party of any liability or any fact used to establish liability.

N. **Waiver of Appeals.** The Parties waive all appeals from the approval of the Settlement unless the Superior Court materially modifies the Settlement, except that Plaintiff and Plaintiff's Counsel may appeal from an order by the Superior Court that reduces the amounts sought for the Representative Plaintiff's Payment and the PAGA Counsel Fees or Expenses Payment. Such an order or affirmance of such an order will not entitle Plaintiff to void the Settlement.

O. **Complete Agreement.** This Agreement constitutes the entire agreement between the Parties relating to the Settlement and once approved by the Superior Court supersedes all prior or contemporaneous agreements, representations, warranties, covenants, or inducements regarding its subject matter.

P. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest.

Q. **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.

R. **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.

S. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument. Facsimile and electronic signatures (*e.g.*, DocuSign) will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

Execution by the Parties and Counsel

Dated: February 17, 2026

MARIA REYES

Maria Reyes (Feb 17, 2026 15:08:13 PST)

Maria Reyes

Dated: February 18, 2026

LYNEER STAFFING SOLUTIONS, LLC

By: ______________________

James Radvany
Chief Executive Officer

Dated: February 17, 2026

TOREY JOSEPH FAVAROTE
DAVID H. DANNING
GLEASON & FAVAROTE LLP

By: ______________________

Torey Joseph Favarote
Attorneys for Plaintiff Maria Reyes

Dated: February 17, 2026

STACEY M. COOPER
STACEY COOPER LAW, PC

By: ______________________

Stacey M. Cooper
Attorneys for Defendant
Lyneer Staffing Solutions, LLC