

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiff Robert Mills (“Plaintiff”), acting in a private attorney general capacity, and Defendant Wal-Mart Associates, Inc., et al. (“Defendant”) (collectively, the “Parties”).

I. DEFINITIONS

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

1. “Action” means the lawsuit entitled *Robert Mills v. Wal-Mart Associates, Inc.*, currently pending in the U.S.D.C. Eastern District of California, Case No. 1:23-cv-01273-JLT-CDB, but which the Parties intend to stipulate to remand to the Superior Court of the State of California, County of Kern.
2. “Aggrieved Employees” means all individuals who were employed by Defendant as non-exempt employees at Store #3139, 1249 Allen Rd, Bakersfield, CA 93314, at any time during the period of April 21, 2022 to October 21, 2024 (the “Covered Period”).
3. “Approval Hearing” means the hearing on the Motion for Court Approval of PAGA Settlement.
4. “Claims Administrator” means ILYM Group, Inc.
5. “Court” means the Superior Court of the State of California, County of Kern.
6. “Covered Period” means the time period from April 21, 2022 to October 21, 2024.
7. “Effective Date” of the Settlement means the date upon which the Court’s Order and Judgment on Settlement Approval becomes Final. “Final” shall mean the latest of: (1) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court; or (2) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (3) if no challenge to the Settlement is filed prior to entry of the Order and Judgment, the date of entry of the Order and Judgment.
8. “Gross Settlement Amount” is the sum of One Hundred Thousand Dollars and Zero Cents (\$100,000.00), which represents the total amount payable under this Settlement Agreement by Defendant including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s attorneys’ fees and costs, and payment to the Claims Administrator.
9. “Individual PAGA Payment(s)” means the individual share amount(s) to be paid to each Aggrieved Employee from the 25% portion of the Net Settlement Amount; such individual share amount(s) are to be based on the number of pay periods during which an Aggrieved Employee worked for Defendant during the Covered Period.

10. “LWDA” means the California Labor and Workforce Development Agency.

11. “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) Plaintiff’s attorneys’ fees, (b) Plaintiff’s costs, and (c) administration costs charged by the Claims Administrator.

12. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.* Plaintiff gave notice to the LWDA of his claims before PAGA was amended effective June 19, 2024, so citations herein refer to the former, pre-amendment California Labor Code sections that govern the Action and this Settlement.

13. “PAGA Released Claims” means all claims for PAGA civil penalties which are pled or which could have been pled in the operative Complaint and letter to the LWDA, whether known or unknown, that reasonably arise out of the same set of operative facts or are reasonably related to the Labor Code claims at issue in the Action that accrued during the PAGA Period, including: minimum wage violations; overtime violations; meal break violations; rest break violations; reporting time pay violations; failure to reimburse business expenses; failure to provide and maintain compliant wage statements; failure to timely pay wages upon termination; and any other claims or penalties under the wage and hour laws and statutes pleaded in the Action, including but not limited to, claims for violations of Labor Code Sections 204, 210, 215, 216, 226, 226.3, 226.4, 226.6, 510, 512, 516, 558, 1194, 1194.2, and 1197.1.

14. “Plaintiff’s Counsel” means Karl Gerber of Employment Lawyers Group.

15. “Released Parties” means Defendant and any of its past, present, and future officers, directors, employees, board members, shareholders, attorneys, insurers, reinsurers, customers, partners, investors, members, representatives, predecessors, parent companies, subsidiaries, affiliates, divisions, successors, agents, and principals, and their heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns.

16. “Settlement Approval” means the Court’s entry of an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the “Order and Judgment”).

II. RECITALS

1. Plaintiff was employed as an hourly paid, non-exempt employee of Defendant at Store #3139 during the Covered Period.

2. On April 21, 2023, Plaintiff sent notice of his claims to the LWDA. On April 23, 2023, Mills filed a lawsuit against Defendant containing individual claims and a PAGA representative claim, in the Superior Court of California for the County of Kern. Defendant removed the lawsuit to federal court on August 23, 2023 (United States District Court, Eastern District Case No. 1:23-cv-01273). In addition to his individual claims, Mills alleges the following PAGA claims in his lawsuit: failure to provide meal periods, failure to provide rest breaks, unpaid

minimum wages, unpaid overtime wages, reporting time pay violations, failure to reimburse business expenses, inaccurate wage statements, and failure to pay wages at termination.

3. On October 21, 2024, counsel for the Parties participated in a mediation with Hon. Margaret Nagle – an experienced mediator of wage and hour and PAGA actions. Although the Parties did not settle at mediation, Ms. Nagle worked with counsel for the Parties in the weeks thereafter to come to an agreement to resolve the PAGA claims. At all times, the Parties' negotiations were adversarial and non-collusive. The Settlement therefore constitutes a fair, adequate, and reasonable compromise of the claims at issue, and the PAGA civil penalties provided by the Settlement are genuine and meaningful.

4. This Agreement memorializes only the Parties' settlement as to Plaintiff's PAGA claims in the Action.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. Non-Admission. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement Agreement to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. Gross Settlement Amount. Defendant shall pay the Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount. Defendant shall deposit the Gross Settlement Amount with the Settlement Administrator within twenty (20) days after the Effective Date.

3. Net Settlement Amount. The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to be distributed to the LWDA and Aggrieved Employees:

a. Plaintiff's Attorneys' Fees and Costs. Defendant will not oppose Plaintiff's request for attorneys' fees and costs incurred in prosecuting this Action, to be deducted from the Gross Settlement Amount, not to exceed \$47,333.33. In the event the Court approves a payment of less than the amount of fees and costs requested by Plaintiff, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). If the Court believes the attorneys' fees and/or costs should be reduced, the other terms of this Settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount.

b. Administration Costs. The Claims Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Claims Administrator's costs is \$3,850.00. In the event the Court approves a payment of less than the

amount sought by the Claims Administrator, the difference will be added to the Net Settlement Amount.

4. **Allocation of Net Settlement Amount.** The Net Settlement Amount shall be distributed pursuant to former California Labor Code section 2699(i) as follows:

- a. 75% of the Net Settlement Amount shall be distributed to the LWDA;
- b. 25% of the Net Settlement Amount shall be paid to Aggrieved Employees. This portion of the Net Settlement Amount shall be paid to all Aggrieved Employees pro rata based on the proportional number of pay periods worked by each Aggrieved Employee during the Covered Period.

5. **Representative PAGA Release.** As of the Effective Date, all Aggrieved Employees and the State of California, in consideration of the Individual PAGA Payment, will release Defendant and Released Parties from any and all PAGA Released Claims that arose during the Covered Period.

6. **Settled Claims.** Upon the Effective Date, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all PAGA Released Claims that arose during the Covered Period.

7. **Covenants and Representations by Plaintiff.**

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands the rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily, and without duress. Plaintiff further acknowledges that he had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. **Filing of Request for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing a Motion for Court Approval of PAGA Settlement or Joint Stipulation re: Settlement Approval, and shall use best efforts to file the same within thirty (30) days following issuance of an order remanding the Action to Kern County Superior Court. If the Court approves this Settlement, the Parties shall request that the Court enter an Order and Judgment approving this Settlement and incorporating by reference the terms and conditions of the Settlement Agreement, and retaining jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement. Plaintiff will submit a proposed order and judgment in connection with his submission to the Court requesting Settlement Approval. This Settlement is expressly conditioned upon the Court entering a 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.

9. **Notice to the LWDA.** In connection with the Motion for Approval of PAGA Settlement and/or Joint Stipulation re: Settlement Approval, Plaintiff's Counsel shall submit this Agreement to the LWDA pursuant to former California Labor Code section 2699(l)(2). Plaintiff's Counsel shall within ten (10) days after the entry of the Judgment or order approving this Settlement, submit the order approving the Settlement to the LWDA pursuant to former California Labor Code section 2699(l)(3).

10. **Non-Approval By the Court.** The Parties agree to utilize best efforts to effectuate the terms of this Settlement Agreement and to obtain approval by the Court of the Settlement. If the Settlement fails to become effective notwithstanding the Parties' best efforts to get it approved, either of the Parties shall have the right within ten (10) days of written notice thereof to elect to terminate the Settlement, in which case the Settlement Agreement shall have no force or effect, and the Action will be restored to its status quo ante as of October 21, 2024 (the date of the mediation attended by the Parties). If the Settlement is terminated, none of the Parties will be deemed to have waived any claims, objections, defenses, or arguments with respect to the merits of Plaintiff's claims or Defendant's defenses. If the Settlement is terminated, Defendant does not waive, and instead expressly reserves its right to challenge the propriety of the Action proceeding as a representative action.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Claims Administrator.** The Parties agree to use ILYM Group, Inc. as the third-party claims administrator for this Settlement, or whomever the Court orders to administer the settlement. The Claims Administrator will be responsible for establishing a Qualified Settlement Fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, and Plaintiff's Counsel.

2. **Provision of Information for Aggrieved Employees.** Within twenty (20) days after the Effective Date, Defendant will provide the following to the Claims Administrator: the name, most current address, Social Security number, dates of employment for each Aggrieved Employee, and total pay periods worked by Aggrieved Employees during the Covered Period. The list shall also include the sum total of all pay periods worked by Aggrieved Employees during the Covered Period. Because Social Security numbers are included in the list, the Claims Administrator will maintain the list in confidence, and access shall be limited to those individuals affiliated with the Claims Administrator with a need to use the list as part of the administration of the Settlement.

3. **Funding the Settlement.** Within twenty (20) days after the Effective Date, Defendant will deposit the Gross Settlement Amount into the QSF.

4. **Settlement Payments.** The Claims Administrator will be responsible for calculating and determining the LWDA's 75% share and Aggrieved Employees' 25% share of the Net Settlement Amount. Within seven (7) days after the funding of the Settlement, the Claims Administrator will calculate each Individual PAGA Payment from the Net Settlement Amount, and will circulate to counsel for the Parties an anonymized spreadsheet containing the estimated payments to each Aggrieved Employee and the data used to calculate said payments. The Claims

Administrator shall obtain approval from all counsel for the Parties of the calculations before mailing individual payments to Aggrieved Employees. Counsel for the Parties shall have five (5) days from receipt of the estimated payments to approve the estimated payments or to request clarification or modification of the estimated payments. Within five (5) days of receiving approval from counsel for the Parties of the payment calculations as provided above, the Claims Administrator will issue payments to: (a) Aggrieved Employees along with an explanatory letter substantially similar to that attached hereto as **Exhibit A**, and which will be mutually approved by counsel for the Parties; (b) the LWDA; (c) Plaintiff's Counsel; and (d) itself.

5. **Allocation of Individual PAGA Payments.** For tax purposes, the Individual PAGA Payments shall be allocated and treated 100% as penalties and interest.

6. **Undeliverable Notices.** The Claims Administrator will issue each Aggrieved Employee one check for his or her share along with the above-referenced explanatory letter. Prior to mailing, the Claims Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. 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 Claims Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. The checks will remain negotiable for 120 days. Funds represented by un-cashed checks which remain outstanding for more than 120 days after issuance will be tendered to the unclaimed property fund of the State of California's Controller's Office in the names of the Aggrieved Employees to whom the checks were issued.

7. **Reporting.** Upon completion of the distribution of settlement funds in accordance with the terms of this Settlement Agreement, the Claims Administrator will report to counsel for the Parties and, if necessary, the Court regarding the completion of the distribution of the settlement funds.

8. **Counsel Bear No Responsibility.** Neither Plaintiff, Plaintiff's Counsel, Defendant, nor Defendant's counsel shall bear any responsibility for errors or omissions in the calculation or distribution of the settlement amounts to Aggrieved Employees.

9. **Tax Consequences.** Individual PAGA Payments will be reported on IRS 1099 Forms as required by law. The Claims Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued under this Settlement, including handling all required tax reporting on the payments to Aggrieved Employees and issuing the requisite tax reports to the IRS associated with these payments.

V. **MISCELLANEOUS PROVISIONS**

1. **Mutual Preparation and Drafting.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. 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. **Authority**. Defendant represents and warrants that the undersigned has the authority to act on behalf of Defendant and to bind Defendant to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the authority to enter into this Settlement Agreement.

3. **Governing Law**. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

4. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement has been made to them and acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Released Claims in the Action. This Settlement cannot be amended or modified except by a writing signed by the Parties hereto, and supersedes all previous agreements for compromise and settlement of the PAGA Released Claims.

5. **Judgment and Continued Jurisdiction**. After entry of the Order and Judgment approving this Settlement, the Court will have continuing jurisdiction solely 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.

6. **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 counsel for all Parties.

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.

8. **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.

9. **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 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.

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. **Severability.** 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.

12. **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.

13. **Enforcement Action.** In the event that 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 Agreement 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 actions.

14. **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 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

15. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement by, among other things, taking all steps necessary to remand, or dismiss and refile the Action to Kern County Superior Court.

16. **Binding Agreement.** 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.

17. **Denial of Liability.** The Parties expressly recognize that the making of this Settlement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral,

administrative, investigative, or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement may be used in any Court proceeding that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

18. **No Credit Toward Benefit Plans.** Payments to Aggrieved Employees referenced herein will not be used to calculate any additional benefits under any benefit plans for which any Aggrieved Employee may be eligible, including but not limited to, profit-sharing plans, bonus plans, incentive plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or any other benefit plans. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

19. **No Publicity.** Except to the extent necessary to effectuate the Settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will not issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media, or otherwise publicize the Settlement, or communicate its terms (including the amount), unless ordered by the Court.

20. **Waiver of Appeal.** The Parties agree that approval of this Settlement Agreement, through an order granting Settlement Approval and judgment, effectuates the releases set forth herein, and resolves all PAGA claims at issue in the Action. Upon the Effective Date, Plaintiff, Defendant, and their respective counsel expressly agree to hereby waive and extinguish their right to appeal any order or judgment in the Action, and the judgment entered in the Action will be final, except that Plaintiff's Counsel may appeal an order reducing their requested attorneys' fees and costs.

21. **Stay of Litigation.** The Parties agree that upon the execution of this Settlement Agreement litigation of the Action shall be stayed, except to effectuate the terms of this Settlement Agreement.

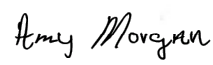
IN WITNESS THEREOF, the Parties each acknowledge that he/she/it has read the foregoing Settlement Agreement, accept and agree to the provisions contained in this Settlement Agreement, and hereby execute it voluntarily and with full understanding of its consequences.

Dated: Jan 17, 2025



Robert Mills
Plaintiff

Dated: January 22, 2025



Name of authorized signatory for
Defendant Wal-Mart Associates, Inc.

Approved as to Form:

Dated: 1-17-25

Dated: January 23, 2025



Counsel for Plaintiff



Counsel for Walmart

Mills PAGA Settlement Agreement (01.14

Final Audit Report

2025-01-17

Created:	2025-01-17
By:	Maria zavalá (backoffice@emplaw.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAAI44E9zE2UyOzv30ZTRmMSeAIX_wjwKK

"Mills PAGA Settlement Agreement (01.14" History

-  Document created by Maria zavalá (backoffice@emplaw.net)
2025-01-17 - 9:50:08 PM GMT
-  Document emailed to rjmills2015@gmail.com for signature
2025-01-17 - 9:50:12 PM GMT
-  Email viewed by rjmills2015@gmail.com
2025-01-17 - 11:10:03 PM GMT
-  Signer rjmills2015@gmail.com entered name at signing as Robert Jason Mills
2025-01-17 - 11:13:21 PM GMT
-  Document e-signed by Robert Jason Mills (rjmills2015@gmail.com)
Signature Date: 2025-01-17 - 11:13:23 PM GMT - Time Source: server
-  Agreement completed.
2025-01-17 - 11:13:23 PM GMT