PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Jose Anthony Casillas ("Plaintiff") and defendants AFC Distribution Corp. ("AFCDC"), Promax Personnel, LLC ("Promax"), and PEOP*LEASE*, LLC ("PEOP*LEASE*"). AFCDC, Promax, and PeopLease shall individually be referred to as "Defendant" and collectively referred to as "Defendants." The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

1. <u>DEFINITIONS.</u>

1.1 "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendants captioned *Jose Anthony Casillas v. AFC Distribution Corp., et al.*, Case No. 23STCV09651 initiated on May 1, 2023 and pending in Superior Court of the State of California, County of Los Angeles.

1.2 "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4 "Aggrieved Employee" means a person employed by AFCDC in California and classified as a non-exempt employee who worked for AFCDC during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6 "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7 "Approval Order" means the Court Order Granting Approval of PAGA Settlement.

1.8 "Court" means the Superior Court of California, County of Los Angeles.

1.9 "Defendants" collectively means AFC Distribution Corp. ("AFCDC"), Promax Personnel, LLC ("Promax"), and PEOP*LEASE*, LLC ("PEOP*LEASE*"), the named defendants in the Action.

1.10 "Defense Counsel" collectively means Gordon Rees Scully Mansukhani (for AFCDC), Kaufman Dolowich LLP (for Promax), and Fisher & Phillips LLP (for PEOP*LEASE*).

1.11 "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement, (b) the Judgment is final, and/or (c) the date the time to appeal or seek other judicial review of the entry of a Judgment approving the settlement has expired with no appeal or other judicial review having been taken or sought.

1.12 "Gross Settlement Amount" means $160,000.00 which is the total amount AFCDC agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.13 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.14 "Judgment" means the judgment entered by the Court based upon the Approval Order.

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

1.16 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.17 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. Twenty-five percent of the Net Settlement Amount is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.18 "PAGA Counsel" means Samuel Wong, Kashif, Haque, Jessica Campbell, and Julia Toscano of Aegis Law Firm PC, the attorneys representing the Plaintiff in the Action.

1.19 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.20 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for AFCDC for at least one day during the PAGA Period.

1.21 "PAGA Period" means the period from May 1, 2022 to May 9, 2025.

1.22 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.23 "PAGA Notice" means Plaintiff's May 1, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.24 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees ($19,554.17) and the 75% to LWDA ($58,662.50) in settlement of PAGA claims.

1.25 "Plaintiff" means Jose Anthony Casillas, the named plaintiff in the Action.

1.26 "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.27 "Released Parties" means: Defendants and each of their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers (including reinsurers), predecessors, successors, assigns, subsidiaries, and affiliates (including staffing agencies who placed Aggrieved Employees at AFCDC during the PAGA Period).

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

2. RECITALS.

2.1 On May 1, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action on a classwide basis against Defendants for (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to permit rest breaks, (5) failure to reimburse business expenses, (6) failure to provide accurate itemized wage statements, (7) failure to pay wages timely during employment, (8) failure to pay all wages due upon separation of employment, and (9) violation of Business and Professions Code §§ 17200, et seq. ("Original Complaint"). On July 14, 2023, Plaintiff filed a First Amended Complaint ("FAC") alleging the same causes of action against Defendants as in the Original Complaint and adding a cause of action under the PAGA. Thereafter, the class claims were dismissed and Plaintiff proceed on his individual wage and hour claims and his PAGA claims, as alleged in the FAC. The Original Complaint and FAC are collectively referred to as the "Operative Complaint." Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

2.3 On April 8, 2025, the Parties participated in an all-day mediation presided over by Gig Kyriacou which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, relevant information, data, and documents, including wage statements and timecards for non-exempt employees potentially implicated by this matter during the PAGA Period, written policies and procedures, Plaintiff's personnel file, data related to the number of current and former non-exempt employees during the PAGA Period, and additional information agreed by the parties during meet and confer efforts on same prior to the mediation.

2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, AFCDC promises to pay $160,000 and no more as the Gross Settlement Amount. AFCDC has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Section 4.0 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to AFCDC.

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

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $53,333.33 and PAGA Counsel Litigation Expenses Payment of not more than $25,000.00 Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds AFCDC harmless, and indemnifies AFCDC, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed $3,450.00 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 payment less than $3,450.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of

$78,216.67 to be paid from the Net Settlement Amount, with 75% ($58,662.50) allocated to the LWDA PAGA Payment and 25% ($19,554.17) allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($19,554.17) 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.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, AFCDC estimates there are 140 Aggrieved Employees who worked a total approximately 3,000 of PAGA Pay Periods as of April 8, 2025. For individuals assigned to AFCDC through Promax in the PAGA Period, Promax estimates there are 6 Aggrieved Employees who worked a total of 87 PAGA Pay Periods as of April 8, 2025.

4.2 Aggrieved Employee Data. Within 30 days of the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. AFCDC shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 45 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after AFCDC funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

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

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

5. RELEASES OF CLAIMS. Effective on the date when AFCDC fully funds the entire Gross Settlement Amount the Parties will release claims as follows:

5.1 <u>Plaintiff's Release.</u> Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

5.3 Release by PAGA Counsel:

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

5.4 Mutual Release by Defendants:

In addition, AFC Distribution Corp., Promax Personnel, LLC, and PEOP*LEASE*, LLC, and their respective parents, subsidiaries, affiliates, affiliated entities, predecessors, successors and assigns, also agree that claims related or in any manner incidental to the matters encompassed by this Agreement, including, but not limited to claims related to indemnity, are hereby waived as to each other Defendant. In addition to the mutual release as set forth herein, AFCDC hereby waives, releases and otherwise foregoes any claims for indemnification it has or may have as to this Action as to Partners Personnel.

However, Promax shall be obligated to pay PEOP*LEASE*'s share of the mediation fees to Gig Kyriacou ($4,350.00), which Promax has already paid to Mr. Kyriacou's office on April 28, 2025.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee

Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the 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 Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings, if any, and providing reports state and federal tax authorities.

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

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

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE. Based on the relevant records, it is estimated that, as of the date of this Settlement Agreement, there are 140 Aggrieved Employees who worked approximately 3,000 pay periods during the PAGA Period. If the number of pay periods increases by more than 10% of the estimate stated herein by the end of the PAGA Period (e.g., if the pay period number exceeds the 10% escalator clause/is greater than 3,300 pay periods), AFCDC will either: (a) increase the Gross Settlement Amount proportionately for the percentage of pay periods in excess of the 10% threshold (i.e., a 11% increase in pay periods will result in a 1% increase of the Gross Settlement Amount); or (b) adjust the end date of the PAGA Period so that the release covers no more than 3,300 pay periods and the Gross Settlement Amount remains $160,000.00. Such decision as between options (a) and (b) remains in the sole discretion of AFCDC, and, if option (a), Defendants will meet and confer as to the allocation of the apportionment of the additional sums to be paid by the Defendants, respectively, such as whether any excessive figures are the result of any misrepresentation (whether unintentional or otherwise) by any Defendant.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law pursuant to California Code of Civil Procedure section 664.6.

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

10. ADDITIONAL PROVISIONS.

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

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and each Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by any of the Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from any of the Defendants unless, prior to the Administrator's payment of all Settlement Funds, any Defendant make a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Samuel A. Wong
Kashif Haque
Jessica A. Campbell
Julia M. Toscano
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250

Facsimile: (949) 379-6251
Email: jcampbell@aegislawfirm.com; jtoscano@aegislawfirm.com

To AFCDC:
Roger M. Mansukhani
Emma R. Horner
GORDON REES SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
Los Angeles, CA 90071
Telephone: (213) 576-5000
Facsimile: (213) 680-4470
rmansukhani@grsm.com
ehorner@grsm.com
cc: mxdiaz@grsm.com

To Promax:
Marcus Dong
Kaufman Dolowich LLP
425 California Street, Suite 2100
San Francisco, California 94104
Telephone: (415) 926-7600
Facsimile: (415) 926-7601
e-mail: mdong@kaufmandolowich.com

To PEOP*LEASE*:
Spencer Waldron
Fisher & Phillips LLP
2050 Main Street, Suite 1000
Irvine, CA 92614
Telephone: (949) 798-2170
e-mail: swaldron@fisherphillips.com

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

EMPLOYEE

Date: 10/28/2025 | 11:07 AM PDT

DocuSigned by:

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Jose Casillas

AFC DISTRIBUTION CORP.

Date: ______________________

____

By: ________________________________

Its: ________________________________

PROMAX PERSONNEL, LLC

Date: ______________________

____

By: Perla Iniguez

Its: Owner, Authorized Agent

PEOP*LEASE*, LLC

Date: ______________________

____

By: ________________________________

Its: ________________________________

EMPLOYEE

Date: ______________________ ____________________________________

Jose Casillas

AFC DISTRIBUTION CORP.

Date: 10/29/2025 ____________________________________

By: Ray Fekrinia

Its: Vice Presdident of Human Resources

PROMAX PERSONNEL, LLC

Date: ______________________ ____________________________________

By: Perla Iniguez

Its: Owner, Authorized Agent

PEOP*LEASE*, LLC

Date: ______________________ ____________________________________

By: ________________________________

Its: ________________________________

EMPLOYEE

Date: ______________________ ____________________________________

Jose Casillas

AFC DISTRIBUTION CORP.

Date: ______________________ ____________________________________

By: ________________________________

Its: _________________________________

PROMAX PERSONNEL, LLC

Date: October 28, 2025 ____________________________________

By: Perla Iniguez

Its: Owner, Authorized Agent

PEOP*LEASE*, LLC

Date: ______________________ ____________________________________

By: ________________________________

Its: _________________________________

EMPLOYEE

Date: 10/28/2025 | 11:07 AM PDT

DocuSigned by:

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Jose Casillas

AFC DISTRIBUTION CORP.

Date: ________________________

By: ________________________

Its: ________________________

PROMAX PERSONNEL, LLC

Date: ________________________

By: Perla Iniguez

Its: Owner, Authorized Agent

PEOP*LEASE*, LLC

Date: Nov 5, 2025

Lissie Kravetz

By: Lissie Kravetz

Its: SVP Legal and Compliance

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Re: Settlement Payment From *Jose Anthony Casillas v. AFC Distribution Corp., et al.*

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This check constitutes your portion of the settlement of the lawsuit entitled *Jose Anthony Casillas v. AFC Distribution Corp., et al.*, Los Angeles County Superior Court Case No. 23STCV09651 which was filed on May 1, 2023, by Plaintiff Jose Anthony Casillas ("Plaintiff") against AFC Distribution Corp. ("AFCDC"), Promax Personnel, LLC ("Promax"), and PEOP*LEASE*, LLC ("PEOP*LEASE*") (collectively, "Defendants") pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* ("PAGA"). The claim was brought on behalf of the State of California and all similarly situated "aggrieved employees" of Defendants. You have been identified as one of the employees on whose behalf the case may have been brought.

Plaintiff in the case claimed that Defendants owed penalties under PAGA for certain California Labor Code violations. Defendants deny any liability or failure to comply with the laws identified in Plaintiff's Complaint and denies that they owe any penalties. The parties agreed to resolve the case, and as part of that settlement, which has been approved by the Court, Defendants agreed to pay a certain amount of money categorized as "PAGA penalties." By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

As part of the settlement, you are releasing Defendants and each of their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers (including reinsurers), predecessors, successors, assigns, subsidiaries, and affiliates, from all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

This Settlement does not release any individual claims you may have for unpaid wages.

Under the PAGA, the penalties ($___________) are divided between the State and the employees, based on the number of pay periods worked by each such person during the relevant time period. The enclosed check represents your pro rata portion of the penalties allocated to the employees.

It is important to note that this is <u>not</u> a class action settlement. You may have received notifications in the mail regarding other class action settlements you may or may not have been a part of in the past. This case against Defendant is not a class action. Therefore, you cannot seek to opt out from the PAGA settlement to pursue your own claims.

Please note that this check constitutes payment of a penalty, and you are responsible for any taxes payable on the amount received. The parties to the lawsuit make no representations to you regarding the tax consequences of any monies received.

If you have any questions, you can contact ILYM Group, Inc. (whose contact information is included at the top of this letter), or Plaintiff's counsel at the following:

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Counsel for Plaintiff Jose Anthony Casillas, the Aggrieved Employees, and the State of California

Very Truly Yours,