

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIM

This Settlement Agreement and Release of PAGA Claim (“Settlement Agreement” or “Agreement”) is made by and between Plaintiff Victor Castro (“Plaintiff”), on behalf of himself and as representative for the California Labor Workforce Development Agency (“LWDA”), and Defendant ATBA, LLC (“Defendant”), who may collectively be referred to as the “Parties,” and each may be individually referred to as a “Party.”

A. Definitions

The following terms, when used in this settlement agreement, shall have the following meanings:

1. “Action” or “*Castro* Action” means *Castro v. Aspen Skilled Healthcare, Inc., et al.*, San Joaquin County Superior Court Case Number STK-CV-UOE-2023-0010395.
2. “Agreement,” “Stipulation,” or “Settlement Agreement,” mean this Settlement Agreement and Release of PAGA Claim, including any attached Exhibits.
3. “Attorneys’ Fees and Costs” means the amounts which shall be allocated to Plaintiff’s Counsel for reimbursement of reasonable attorneys’ fees and actual costs incurred in the litigation, all of which shall be paid out of the Gross Settlement Amount. Plaintiff’s Counsel shall request \$45,000.00 (one-third of the Gross Settlement Amount) in reimbursement for attorneys’ fees, and no more than \$17,000.00 in reimbursement for actual costs incurred in litigation. This Settlement is not conditioned on approval of the Attorneys’ Fees and Costs; in other words, this Settlement shall remain in full force and effect if the Court awards less than the requested Attorneys’ Fees and Costs. Any portion of the amount allocated to Attorneys’ Fees and Costs not awarded by the Court shall return to the Net Settlement Amount. The Attorneys’ Fees and Costs awarded by the Court shall constitute full, fair, and complete compensation for all attorneys’ fees and litigation costs incurred by Plaintiff’s Counsel in connection with the Action, including but not limited to any claims for fees or costs under PAGA arising from the facts alleged in the Operative Complaint or the PAGA Claim Notification.
4. “Court” means the San Joaquin County Superior Court.
5. “Defendant” means Defendant ATBA, LLC
6. “Defendants” means ATBA, LLC and Aspen Skilled Healthcare, Inc., collectively.
7. “Defendants’ Counsel” means David Martin and Matthew McDonald of Martin Law Firm, PC, the attorneys representing Defendants in the Action.
8. “Eligible Pay Period” or “Pay Period” means any pay period within the PAGA Release Period during which a PAGA Employee worked at least one shift for Defendant ATBA, LLC.
9. “Final Approval Date” means the date that the Court enters the Final Order and Judgment.

10. “Final Order and Judgment” means the Court’s order approving this Private Attorneys General Act of 2004 (“PAGA”) Settlement and Judgment. The Final Order and Judgment will be submitted to the Court substantially in the form attached hereto as **Exhibit 1**.

11. “Funding Date” means the date by which the Gross Settlement Amount must be fully funded by Defendant by transmitting the funds to an account maintained by the Settlement Administrator. Within 30 calendar days of the issuance of the Final Order and Judgment, Defendant shall (1) transfer the full Gross Settlement Amount to the Settlement Administrator, and (2) provide the Settlement Administrator with the PAGA Employees List.

12. “Gross Settlement Amount” means the maximum settlement amount that Defendant will pay in connection with this Settlement. This amount is \$135,000.00. The Gross Settlement Amount will be used to pay the LWDA Settlement Proceeds, the PAGA Employees Settlement Proceeds, the Service Award, Attorneys’ Fees and Costs, and the Settlement Administration Costs. This is a non-reversionary Settlement; no portion of the Gross Settlement Amount will return to Defendant under any circumstances.

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

14. “LWDA Settlement Proceeds” means the seventy-five percent (75%) of the Net Settlement Amount that shall be paid to the LWDA.

15. “Net Settlement Amount” means the amount that remains after deducting Attorneys’ Fees and Costs, Settlement Administration Costs, and the Service Award, from the Gross Settlement Amount.

16. “Notice” means the notice that will be mailed to each PAGA Employee by the Settlement Administrator to give notice of the Settlement. The Notice will be sent to PAGA Employees substantially in the form attached hereto as **Exhibit 2**. The Notice will also be sent in Spanish.

17. “Operative Complaint” means Plaintiff’s October 2, 2023 Complaint commencing the Action.

18. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2689. et seq.).

19. “PAGA Employee,” “PAGA Employees,” “Aggrieved Employee,” or “Aggrieved Employees” means each and/or all current and former non-exempt employees who worked for Defendant ATBA, LLC in California during the PAGA Release Period.

20. “PAGA Employees List” means the identifying information of each PAGA Employee, including his/her full name, last known mailing address, social security number, and number of compensable Eligible Pay Periods for each employee. This PAGA Employees List shall be provided by Defendant to the Settlement Administrator as a Microsoft Excel spreadsheet or Microsoft Word Document. Defendant has a continuing duty to immediately notify Plaintiff’s Counsel if it discovers that the PAGA Employees List omitted employee identifying information, and to provide corrected or updated

data as soon as reasonably feasible. 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 employee data. This information shall be confidential and shall be used solely to manage the notice and payment process described herein, and it shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

21. “PAGA Employees Settlement Proceeds” means the twenty-five percent (25%) of the Net Settlement Amount that shall be paid to the PAGA Employees.

22. “PAGA Employees’ Individual PAGA Payment” or “Individual Share” means each PAGA Employee’s pro rata share of the PAGA Employees Settlement Proceeds. Each pro rata share is calculated according to the number of Pay Periods the PAGA Employee worked during the PAGA Release Period.

23. “PAGA Claim” means all known and unknown claims brought on behalf of the State of California and PAGA Employees under California Labor Code § 2698 *et. seq.* based on alleged predicate violations of the California Labor Code and all applicable sections of the applicable Industrial Welfare Commission Wage Order, that were or could have been pleaded based on the factual allegations of the Operative Complaint on file in the Action and in Plaintiff’s PAGA Claim Notification dated July 27, 2023.

24. “PAGA Claim Notification” means Plaintiff’s July 27, 2023 letter to Defendants and the LWDA providing notice of alleged Labor Code violations and supporting facts, pursuant to Labor Code section 2699.3, subd.(a)

25. “PAGA Release Period” or “PAGA Period” means 7/27/2022 to the earlier of 5/1/2025 or the date the Court approves this Settlement.

26. “Parties” means Plaintiff and Defendant collectively.

27. “Plaintiff” means Victor Castro, the named plaintiff in the Action.

28. “Plaintiff’s Counsel” means Aubry Wand of The Wand Law Firm, P.C., the attorney representing Plaintiff individually and as a representative of the State of California and the PAGA Employees in the Action.

29. “Released Claims” means any and all claims, transactions, and occurrences that occurred during the PAGA Release Period, including all claims that were or reasonably could have been alleged by Plaintiff on behalf of himself and the State of California arising from any of the factual allegations in the Operative Complaint and/or Plaintiff’s PAGA Claim Notification, and including any and all claims for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, such as for failure to provide compliant meal and rest periods and associated premium payments, failure to pay overtime and minimum wages, failure to timely pay all wages during employment and upon conclusion of employment, failure to maintain required records, failure to maintain and furnish accurate itemized wages statements, failure to provide compliant sick leave, failure to reimburse necessary business-related expenses, and for failure to comply with Labor Code sections 201, 202, 203, 204, 226(a),

226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

30. “Released Parties” means Defendant ATBA, LLC and their respective former, present, and future parents, subsidiaries, affiliates, divisions, predecessors, successors, assigns, owners, officers, directors, employees, agents, managers, administrators, consultants, members, partners, joint venturers, shareholders, representatives, insurers, reinsurers, licensees, lessors, fiduciaries, accountants, legal representatives, and any other related companies, entities, or individuals, including spouses and children.

31. “Separate Non-PAGA Settlement Agreement” means the confidential settlement agreement that the Parties have separately entered into regarding the claims brought by Plaintiff against Defendant in San Joaquin Cty. Sup. Ct. Case STK-CV-UOE-2023-0008789. In this Separate Non-PAGA Settlement Agreement, Defendant agreed to pay an individual settlement to Plaintiff for his individual, FEHA claims, none of which relate to the claims alleged in this action. Nothing in this Agreement shall be construed to limit the Parties’ rights under the Separate Non-PAGA Settlement Agreement.

32. “Settlement Administrator” means Xpand Legal, the neutral entity the Parties have agreed to appoint to administer the Settlement. The Settlement Administrator will agree to enter into a confidentiality agreement by which it agrees to maintain as confidential the information so designated by Defendants and not to disseminate any designated information without the written approval of Defendants. The Settlement Administrator will be responsible for, *inter alia*, sending Notice and payments to PAGA Employees and the LWDA and distributing other payments as set forth in this Agreement. The Parties and their counsel represent that they do not have any involvement in the governance or work of the Settlement Administrator.

33. “Settlement Administration Costs” means the amount that shall be paid to the Settlement Administrator for performing the duties provided under the Settlement to reimburse its reasonable fees and expenses in accordance with the Settlement Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement. The Settlement Administrator’s “not to exceed” bid is \$4,500. If less than the “not to exceed” bid is approved for Settlement Administration costs, the difference shall return to the Net Settlement Amount.

34. “Service Award” means the amount which shall be allocated to Plaintiff, subject to Court approval, in recognition for his efforts in prosecuting the case, obtaining the benefit of the Settlement, and as consideration for Plaintiff’s released claims, which include a broad general release, against Defendants. Plaintiff shall be eligible to receive a Service Award of \$7,500.00. The Service Award shall be paid from the Gross Settlement Amount. This Settlement is not conditioned on approval of the Service Award; in other words, this Settlement shall remain in full force and effect if the Court awards less than the requested Service Award. Any portion of the amount allocated to the Service Award not awarded by the Court shall return to the Net Settlement Amount.

B. General

1. On July 27, 2023, Plaintiff provided notice to the LWDA and Defendants of the facts and theories in support of his PAGA Claim. On October 2, 2023, Plaintiff filed the Action in San Joaquin Superior Court, alleging one cause of action pursuant to the PAGA, based on the following theories of

liability: failure to provide required meal periods, failure to provide required rest breaks, failure to properly pay meal period and rest break premium payments, failure to pay overtime wages, failure to pay minimum wages, failure to pay timely wages, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized statements, and failure to indemnify employees for necessary expenditures incurred in the discharge of their duties.

2. On December 12, 2024, the Parties participated in a mediation with Angela Reddock-Wright. The Parties did not reach a settlement at the conclusion of the mediation. However, the mediator issued a proposal regarding the material terms of a settlement, which the Parties accepted on February 12, 2025, as memorialized herein.

3. The Parties have conducted a thorough investigation into the facts of the Action sufficient to satisfy the criteria for court approval of this settlement. This includes, *inter alia*, conducting an extensive exchange of information and documents prior the mediation relating to the PAGA Claim. Defendants produced time and payroll records; wage statements; employee handbooks, corporate policies, including those relating to timekeeping, meal and rest periods, overtime, compensation, wage statements, and reimbursement of incurred expenses; an accounting of PAGA Employees and Pay Periods during the PAGA Release Period prior to mediation; and other documents relating to PAGA Employees. Based on the foregoing data and on their own independent investigation and evaluation, Plaintiff's Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendants, and potential appellate issues. Defendants and counsel for Defendants also agree that the Settlement is fair.

4. The Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of Plaintiff's PAGA Claim. It is the desire and intention of the Parties to affect a final and complete resolution of the Action against Defendants to avoid additional cost and the uncertainty of litigation. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as a determination on the merits of the Action, nor an admission of liability by Defendants. Defendants expressly deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged. Further, nothing in this Agreement is intended or should be construed as an admission by Defendants and the Released Parties that any of the allegations in the Operative Complaint have merit or that Defendants and the Released Parties have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defense 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' 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).

5. The Parties, Plaintiff's Counsel, and Defendants' 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.

6. Under California Law, the State may assess and collect civil penalties from employers for violations of certain provisions of the California Labor Code. (*See* Cal. Lab. Code § 2698, *et seq.*) Under PAGA, however, if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the state's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees." *Id.* "[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees." *Id.*

7. California Labor Code § 2699(1)(2) provides that the trial court shall "review and approve any settlement of any civil action filed pursuant to this part." Plaintiff will submit this Settlement Agreement to the LWDA concurrently with the filing of a stipulation or motion for approval with the Court.

8. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

C. Terms of Settlement

1. Subject to the Court's approval of the Settlement pursuant to California Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action and Released Claims.

2. The **Gross Settlement Amount** of \$135,000.00 will be distributed in the following manner:

- a. **Settlement Administration Costs:** The costs of \$4,500 associated with settlement administration shall be paid to the Settlement Administrator.
- b. **Attorneys' Fees and Costs:** Attorneys' fees of \$45,000.00 (one-third of the Gross Settlement Amount), plus actual litigation costs not to exceed \$17,000.00, shall be paid to Plaintiff Counsel.
- c. **Service Award to Plaintiff.** A Service Award of \$7,500.00 shall be paid to Plaintiff Victor Castro.
- d. **Net Settlement Amount:** After deducting Settlement Administration Costs, Attorneys' Fees and Costs, and the Service Award from the Gross Settlement Amount, the remainder

forms the Net Settlement Amount. It is estimated that the Net Settlement Amount will total \$61,000. The Net Settlement Amount shall be allocated seventy-five percent (75%) to the California Labor & Workforce Development Agency (i.e., the LWDA Settlement Proceeds). It is estimated that the LWDA Payment will total \$45,750. The remaining twenty-five percent (25%) of the Net Settlement Amount (i.e., the PAGA Employees Settlement Proceeds). It is estimated that PAGA Employees Settlement Proceeds will total \$15,250. Each PAGA Employee's individual share of the PAGA Employees Settlement Proceeds (i.e., PAGA Employees' Individual PAGA Payment, or Individual Share) shall be paid to the PAGA Employees on a *pro rata* basis, which shall be determined based on the number of Eligible Pay Periods that he or she worked for Defendant during the PAGA Release Period, and shall be calculated as follows:

The PAGA Employees Settlement Proceeds will be divided by the total number of Pay Periods worked by all PAGA Employees during the PAGA Release Period, and the resulting figure will be referred to as the "Multiplier." Each PAGA Employee's payment will be determined by multiplying the Pay Periods that the PAGA Employee worked by the Multiplier.

- e. **Taxes and Reporting:** Because this is a settlement of PAGA claims for civil penalties only, the PAGA Employees' Individual Share, the Service Award to Plaintiff, and the Attorneys' Fees and Costs will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 (if applicable) to the respective PAGA Employee, counsel and applicable governmental authorities. Individual PAGA Payments shall be considered one hundred percent (100%) penalties and interest.
- 3. **Escalator.** Prior to the mediation, Defendant represented that there are 262 PAGA Employees who have worked approximately 5,707 pay periods during the PAGA Period. This is a material representation. If at the time Defendant provides the pay period information for PAGA Employees to the Settlement Administrator it is discovered that PAGA Employees have worked 6,278 pay periods or more during the PAGA Period (a 10% increase), then Defendant may, at its sole discretion, adjust the length of the PAGA Period by moving the end date so as to avoid triggering this escalator clause (including, but not limited to, adjusting the PAGA Period end date to one calendar day immediately prior to the date that 6,278th pay period threshold is met), or increase the Gross Settlement Amount pro rata by the same percentage that the actual number of Pay Periods exceeds the 10% buffer.

D. Release as to the PAGA Claim

1. Upon the Funding Date, Plaintiff—as the representative for the State of California and on behalf of himself, the PAGA Employees, his respective former and present spouses, representatives, agents, attorneys (including Plaintiff's Counsel), heirs, administrators, successors, and assigns generally—and the PAGA Employees—on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns generally—are deemed to forever completely release and discharge the Released Parties from all Released Claims. This includes any and all claims, transactions, and occurrences that occurred during the PAGA Release Period, including all claims that were or reasonably could have been alleged by Plaintiff on behalf of himself and the State

of California arising from any of the factual allegations in the Operative Complaint and/or Plaintiff's PAGA Claim Notification, and including any and all claims for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 et seq., such as for failure to provide compliant meal and rest periods and associated premium payments, failure to pay overtime and minimum wages, failure to timely pay all wages during employment and upon conclusion of employment, failure to maintain required records, failure to maintain and furnish accurate itemized wages statements, failure to provide compliant sick leave, failure to reimburse necessary business-related expenses, and for failure to comply with Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

2. Apart from Plaintiff, this Settlement shall not impact any PAGA Employee's ability to assert California Labor Code claims other than PAGA claims (i.e., other than a claim brought under California Labor Code § 2698, *et. seq.*), such as individual claims that may belong to them.

3. Defendant ATBA, LLC is to be dismissed with prejudice as to the PAGA Claims brought on behalf of the aggrieved employees and the State of California. All other defendants, which includes Aspen Skilled Healthcare, Inc., are to be dismissed without prejudice as to the PAGA Claims brought on behalf of the aggrieved employees and the State of California.

4. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 . . . is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order and Judgment shall so reflect. The Final Order and Judgment shall not bind nor release the PAGA Employees of any individual wage claims (or other individual claims). However, in accordance with *Arias*, the Final Order and Judgment shall be binding on the PAGA Employees as to all known and unknown claims under California Labor Code § 2698, *et. seq.*, that were or could have been pleaded based on the factual allegations of the Operative Complaint on file in the Action for the PAGA Release Period.

E. General Release by Named Plaintiff Only

1. In addition to the Release as to the PAGA Claim, Plaintiff agrees to release all known and unknown claims against Defendants and the Released Parties, including a release under Civil Code Section 1542. To effect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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.

2. Thus, notwithstanding the provisions of section 1542—and to implement a full and complete release and discharge of Defendant, the Released Parties, Aspen Skilled Healthcare, Inc., and their respective affiliated companies, including their respective former, present, and future parents, subsidiaries, affiliates,

divisions, predecessors, successors, assigns, owners, officers, directors, employees, agents, managers, administrators, consultants, members, partners, joint venturers, shareholders, representatives, insurers, reinsurers, licensees, lessors, fiduciaries, accountants, legal representatives, and any other related companies, entities, or individuals, including spouses and children—Plaintiff expressly acknowledges this release is intended to include in its effect, without limitation, all claims that Plaintiff does not know or suspect to exist in Plaintiff's favor against Defendant, the Released Parties, Aspen Skilled Healthcare, Inc., and their respective affiliated companies, at the time of signing this Agreement. Plaintiff expressly acknowledges that this Agreement contemplates the extinguishment of any such claims with prejudice. Plaintiff acknowledges that he lacks standing to proceed with representative claims against Aspen Skilled Healthcare, Inc., and its affiliated companies at the time of signing this Agreement. Plaintiff warrants that he has read this Agreement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Agreement and specifically about the waiver of section 1542, and Plaintiff warrants that he understands this Agreement and the section 1542 waiver, and Plaintiff freely and knowingly enters into this Agreement. Plaintiff further acknowledges that he later may discover facts and law different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Agreement, and even so Plaintiff agrees that the release contained in this Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts.

3. Plaintiff's general release shall become effective on the Funding Date. The general release set forth in Paragraph E of this Agreement applies only to Plaintiff Victor Castro; it does not apply to any PAGA Employees.

4. Plaintiff's general 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.

5. Plaintiff's general release also does not apply to any claims asserted by Plaintiff in the unrelated action involving individual FEHA claims, San Joaquin Cty. Sup. Ct. Case STK-CV-UOE-2023-0008789 (i.e., Separate Non-PAGA Settlement Agreement), which does not affect the rights of anyone other than Plaintiff, and is being resolved confidentially under the terms set forth in a separate and confidential agreement.

F. Representations by the Parties and Their Counsel

1. Plaintiff and PAGA Counsel represent and warrant that they are not currently aware of any: (a) unalleged claims against Defendants in addition to, or different from, those which are finally and forever settled and released against Defendants by this PAGA Settlement and the Separate Non-PAGA Settlement Agreement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaint and PAGA Claim Notification, the Operative Complaint, and this Action. Plaintiff and PAGA Counsel further represent that, other than this Action and Plaintiff's non-PAGA claims addressed in the Separate Non-PAGA Settlement Agreement, they have no current intention of asserting any other claims against Defendants or its owners, employees, and affiliated companies in any judicial or administrative forum, including proceeding on a class action basis. Plaintiff and PAGA Counsel represent that they do

not currently know of or represent any persons who intends to pursue litigation or seek any recovery against Defendants. Plaintiff acknowledges for the purposes of settlement and this agreement only that he was solely employed by ATBA, LLC.

2. The Parties and their respective Counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

3. Neither Plaintiff, Plaintiff's Counsel, Defendants, nor Defendants' 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.

4. Defendants and the Released Parties shall have no liability to Plaintiff's Counsel or any other counsel arising from any claim to any portion of the Attorneys' Fees and Costs Payment. Plaintiff's Counsel assumes full responsibility and liability for taxes owed on the Attorneys' Fees and Costs Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.

G. Settlement Approval and Implementation Procedures

1. Pursuant to California Labor Code § 2699(1)(2), or otherwise for the purposes of obtaining court approval of the Settlement, Plaintiff will prepare and deliver to Defendants' Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)), including:

- i. A draft stipulation and proposed order for approval of the PAGA Settlement, or, if required by the Court, a draft motion for approval of the PAGA settlement.
- ii. A signed declaration from Plaintiff's Counsel firm attesting to the 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))). In their Declarations, Plaintiff's Counsel advocate that the settlement is fair, adequate, and reasonable, and 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. Plaintiff's Counsel shall also deliver all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the settlement Administrator.
- iii. A signed declaration from the Settlement 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, Plaintiff's Counsel, or Defendants' Counsel.

2. Plaintiff's Counsel is responsible for finalizing and filing the stipulation and proposed order for approval of PAGA settlement, or, if required by the Court, a motion for approval of PAGA settlement and proposed order thereon, no later than thirty (30) calendar 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. At least seven (7) calendar days before any document necessary for obtaining approval of this Settlement is filed, Plaintiff's Counsel will provide said document(s) to Defendants' Counsel for Defendants' Counsel's review and comment. PAGA Counsel is responsible for delivering the Court's approval of the Settlement to the Settlement Administrator.

3. The Parties agree to cooperate in good faith and promptly take any and all steps required by the Court in the Action to implement the Settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal). The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement and the settlement payments described in Section C in this Agreement.

4. The Funding Date shall take place within 30 calendar days of the issuance of the Final Order and Judgment approving the Settlement. Defendant on that day shall (1) transfer the full Gross Settlement Amount to the Settlement Administrator, and (2) provide the Settlement Administrator with the PAGA Employees List.

5. The Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search to update the addresses of the PAGA Employees prior to mailing any checks, (ii) issuing the Notice and Individual PAGA Payments to the PAGA Employees, (iii) issuing any required IRS forms, and (iv) issuing LWDA Settlement Proceeds to the LWDA, (v) issuing the Service Award to Plaintiff, and (vi) issuing payment of Attorneys' Fees and Costs to Plaintiff's Counsel. The Settlement Administrator shall issue the Notice and payments to the PAGA Employees, payment to the LWDA for PAGA penalties, the Service Award to Plaintiff, and Attorneys' Fees and Costs to Plaintiff's Counsel, along with any tax forms as may be required, no later than fourteen (14) calendar days of the Funding Date. Disbursement of the Attorneys' Fees and Costs to Plaintiff's Counsel shall not precede disbursement of Individual PAGA Payment checks. The Administrator will issue checks for the Individual PAGA Payments 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.

6. For each settlement check that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly within seven (7) calendar days attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using all reasonably available sources, methods (e.g., National Change of Address database, direct contact by the Settlement Administrator with Aggrieved Employees, a skip-trace searches) and shall attempt one (1) re-mailing of the PAGA Settlement Package. For each settlement check which is lost or misplaced and for which an

Aggrieved Employee requests a replacement prior to the void date, the Settlement Administrator shall within seven (7) calendar days send a replacement check to any requesting Aggrieved Employee.

7. PAGA Employees shall have one hundred and eighty (180) calendar days after the mailing to negotiate their settlement checks. If any PAGA Employee's check is not cashed within that period, the check will be voided and a stop-payment will be issued. Any funds in the Settlement Administrator's account as a result of a failure to timely negotiate a settlement check shall be paid to State of California Controller's Unclaimed Property division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s). Neither Defendants, Defendants' Counsel, Plaintiff's Counsel nor Plaintiff will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks or failure to timely cash a settlement check within the 180-day period. The payment of Individual PAGA Payments shall not obligate Defendants 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.

8. Upon the Funding Date, the Parties will: (i) be bound by the terms and conditions of this Agreement, and the releases set forth therein; and (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the settlement and the Court's Final Order and Judgment.

H. No Right to Object or Opt Out.

1. The Parties agree that there is no statutory right for aggrieved employees to be heard in objection to the PAGA Settlement and there is no statutory requirement to provide aggrieved employees the option to opt out of the PAGA Settlement.

I. Waiver of Appeal.

1. Provided that the Court's approval of this Settlement is consistent with the material terms of this Agreement, Plaintiff, Defendant, and their respective counsel hereby waive any and all rights to appeal the approval of the Settlement, and the Order therefore will become non-appealable at the time it is entered. 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.

J. Miscellaneous Provisions.

1. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if: (a) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all parties to the Settlement shall stand in the same position, without prejudice,

as if the Settlement had been neither entered into nor filed with the Court. Any fees already incurred by the Settlement Administrator shall be shared by the Parties equally. Notwithstanding the foregoing, the Parties shall attempt in good faith to cure any perceived defects in the Settlement to facilitate approval.

2. **Waiver:** The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

3. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof. Plaintiff's Counsel and Defendants' Counsel separately warrant and represent that they are authorized by Plaintiff and 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.

4. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and Defendants' Counsel, take all necessary steps to secure the Court's approval of the settlement, and the Final Order and Judgment.

5. **No Prior Assignments:** The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement.

6. **No Admission:** Defendants deny liability to Plaintiff and/or the PAGA Employees, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendants desire to settle and compromise the matters at issue in the Operative Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendants also has taken into account the uncertainty and risks inherent in litigation and, without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

7. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or interpret or enforce this Settlement Agreement. This Agreement will be binding upon, and inure to the benefit of, the

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

8. **Enforcement Actions:** Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement, seek damages for breach of this Settlement Agreement, or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions. If Plaintiff or Defendants fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

9. **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. Information provided to Plaintiff's Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of documents and information provided to Plaintiff's Counsel by 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 calendar days after the Settlement Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall ensure the destruction of all paper and electronic versions of PAGA Employees List data received from Defendants.

10. **Notices:** All notices shall be provided by United States mail and electronic mail. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third calendar day after mailing by United States mail and electronic mail, addressed as follows:

To Plaintiff:

Aubry Wand
The Wand Law Firm, P.C.
100 Oceangate, Suite 1200
Long Beach, CA 90802
Telephone: (310) 590-4503
Email: awand@wandlawfirm.com

To Defendants:

David Martin
Matthew McDonald
Martin Law Firm, PC
2 Park Plaza #620
Irvine, CA 92614
Telephone: (949) 508-2575

Email: dave@employmentdefenselaw.com
matthew@employmentdefenselaw.com

11. **Stay of Litigation.** The Parties agree that upon the signing of this Agreement, litigation in this matter shall be stayed and the time to bring the actions to trial shall be extended pending the outcome of the settlement process.

12. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement Agreement.

13. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

14. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

15. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

16. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

17. **Binding on Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

18. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. The Parties further agree that they may use DocuSign, an electronic signature technology, to expedite the execution of this Agreement, pursuant to California Civil Code § 1633.7.

19. **Jurisdiction of the Court.** Pursuant to California Code of Civil Procedure § 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments

entered in connection therewith. All terms of this Settlement Agreement are subject to approval by the Court.

20. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and said provision cannot be modified to be enforceable, that provision shall immediately become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

21. **Entire Agreement:** This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by the Parties.

IN WITNESS WHEREOF, the Parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

[SIGNATURES ON FOLLOWING PAGES]

Dated: _____

PLAINTIFF

Victor Castro

Dated: _____

DEFENDANT ATBA LLC

DocuSigned by:
Tanner Howard
FBD890C515DB48E...

Name: _____ Tanner Howard

Title: _____ Administrator

Dated: _____

THE WAND LAW FIRM, P.C.

Aubry Wand
Counsel for Plaintiff

Dated: _____

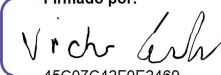
MARTIN LAW FIRM, PC

Signed by:
David L Martin
881ED1AEFE8B403...

David Martin
Matthew McDonald
Counsel for Defendants

Dated: 5/6/2025 _____

PLAINTIFF

Firmado por:

45C07C42E0E2469

Victor Castro

Dated: _____

DEFENDANT ATBA LLC

Name: _____

Title: _____

Dated: 5/6/2025 _____

THE WAND LAW FIRM, P.C.



Aubry Wand
Counsel for Plaintiff

Dated: _____

MARTIN LAW FIRM, PC

David Martin
Matthew McDonald
Counsel for Defendants