PAGA SETTLEMENT AGREEMENT

This Private Attorney General Act (PAGA) Settlement Agreement and Release ("Settlement" or "Agreement") is made and entered into between Plaintiff Juan Arias ("Plaintiff"), individually and in his representative capacity on behalf of the State of California and the Aggrieved Employees (as defined in Section I(2) below), on the one hand, , and Defendant Contactability.com LLC ("Defendant") on the other hand, subject to approval by the Court.

I. <u>DEFINITIONS</u>

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

1. "Action" means (1) Plaintiff's written notice to the Labor Workforce Development Agency (LWDA) dated July 26, 2023 and amended on August 15, 2023, as well as any additional amendments, pursuant to Labor Code section 2699.3 of the specific provisions of the California Labor Code alleged to have been violated by Defendant, LWDA-CM-970876-23 and (2) the Complaint filed by Plaintiff on September 29, 2023, as well as any amendments to that Complaint, entitled *Juan Arias v. Contactability.com LLC, et al,* in the Orange County Superior Court, Case No. 30-2023-0135200-CU-OE-CXC asserting a single cause of action for violation of the California Private Attorneys General Act (Labor Code sections 2698 et seq.) for Defendant's alleged violations of the Labor Code and relevant provisions of the applicable Wage Order(s).

2. "Aggrieved Employees" all persons currently or formerly employed by Defendant as non-exempt or hourly-paid employees in the State of California including those who fall under the salespersons exemptions, during the PAGA Period. Defendant represents that at the time of mediation there were approximately 141 Aggrieved Employees.

3. "Complaint" means the Representative Action Complaint for Violation of the California Private Attorneys General Act (Labor Code § 2698, *et seq.*) in the Action filed on September 29, 2023.

4. "Court" means the Superior Court of California for the County of Orange.

5. "Defense Counsel" means Fisher & Phillips, LLP

6. "Effective Date" means when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Plaintiff's Counsel, and Defense Counsel; (2) Notice of the Settlement has been sent to the LWDA via online filing of this Agreement and Plaintiff's motion for approval of this Settlement; (3) the Court has given approval of the Settlement; and (4) the Court has entered the Court's Final Order and Judgment.

7. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

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

9. "Gross Settlement Amount" is the non-reversionary sum of One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00), which represents the total all-in amount

payable under this Settlement by Defendant, including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's Counsel's fees and costs, payment of Plaintiff's enhancement award, payment to the Settlement Administrator for administration costs in exchange for Aggrieved Employees release of all PAGA Released Claims as well as a comprehensive release of all claims by Plaintiff.

10. "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 and as approved by the Court: (a) Plaintiff's Counsel's fees up to one-third (33 1/3%) of the Gross Settlement Amount, currently estimated at $58,333.33; (b) Plaintiff's verified costs up to $20,000.00; (c) Plaintiff's enhancement award of $5,000.00; and (d) verified administration costs up to $3,975.00.

11. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code §§ 2698, *et seq.*

12. "PAGA Period" means the time period from July 26, 2022 through May 20, 2025.

13. "PAGA Released Claims" means any and all claims for civil penalties pursuant to PAGA under the California Labor Code, Wage Orders, regulations, and/or other provisions of law that were alleged or reasonably could have been alleged to have been violated based on the facts set forth in the Action with respect to Aggrieved Employees which arose during the PAGA Period, including alleged violations of Labor Code claims for failure to pay overtime wages; failure to pay minimum wages including straight time and paid sick leave wages; any claims for additional wages owed due to "off the clock" work, rounding, and/or regular rate; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due including failure to timely pay final wages upon termination; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; failure to pay timely wages during employment; wage statement violations including failure to furnish accurate itemized wage statements; failure to keep and maintain accurate payroll records including hours worked and meal breaks; failure to reimburse expenses; failure to incorporate non-discretionary pay, bonuses, and commissions (i.e. incentive pay, production pay, performance pay, and/or shift differentials) into the regular rate; unlawful non-compete and non-solicitation agreements in violation of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 256, 432.5, 510, 512, 516, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, 2699.3 2800, 2802, 2804, and the applicable Wage Order and/or claims for attorneys' fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289. The release also includes any allegations brought in the Action or any amended Complaint, including a release from the State of California (to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA Period) of all PAGA claims alleged or could have been alleged in the Action which occurred during the PAGA Period. The Parties agree to take all necessary steps to make sure that a release covering all of the foregoing claims is approved by the Court, including, if necessary and requested by the court, amending the Complaint.

14. "Parties" means Plaintiff and Defendant, collectively.

15. “Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

16. “Plaintiff” means Juan Arias.

17. “Plaintiff’s Counsel” means William C. Sung and Tiffany L. Luu of Justice for Workers, P.C.

18. “Released Parties” means Defendant Contactability.com LLC and its past, present, and future respective subsidiaries, dba’s, affiliates, parents, predecessors, successors, investors, and their current and former employees, agents, directors, officers, members, and attorneys.

19. “Settlement Administrator” or “Administrator” means Phoenix Settlement Administrators.

II. <u>RECITALS</u>

1. Plaintiff alleges that with regard to the Aggrieved Employees, Defendant: (1) failed to pay all minimum, overtime, and paid sick leave wages due; (2) failed to provide meal and rest periods or payment of all meal or rest period premiums due; (3) failed to pay all wages due upon separation of employment; (4) failed to timely pay wages; (5) failed to furnish accurate, itemized wage statements; (6) failed to maintain accurate employment records; (7) failed to pay all reporting time and call-back premiums due; (8) failed to reimburse all necessary business expenses; (9) required Aggrieved Employees to sign unlawful non-compete agreements, all of which result in liability for civil penalties under the PAGA.

2. On July 26, 2023 and August 15, 2023, Plaintiff provided the LWDA Letters to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in Paragraph II.1 above.

3. On September 29, 2023, Plaintiff filed the Complaint in the Action.

4. Based on the Parties stipulation, on or around November 17, 2023 the Honorable Lon F. Hurwitz entered an order submitting Plaintiff’s individual PAGA claims to arbitration and staying Plaintiff’s representative PAGA claims pending final resolution of Plaintiff’s individual claims by binding arbitration; On May 2, 2024, Plaintiff filed a demand for arbitration.

5. During the pendency of the Action, the Parties engaged in an informal discovery exchange prior to mediation. In response to Plaintiff’s Counsel’s informal discovery requests, Defendant provided Plaintiff’s Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in relation to the claims in the Action in order for Plaintiff’s Counsel to investigate Plaintiff’s allegations and value the PAGA claim, including but not limited to Defendants’ policies, timekeeping and payroll data.

6. On March 21, 2025, the Parties participated in mediation of the Action before mediator Tagore Subramaniam, Esq. With the assistance of Mr. Subramaniam, the Parties agreed to fully and finally resolve, subject to Court approval, the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission of Liability or Representative Manageability.** 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 Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. Defendant generally and specifically denies any and all liability or wrongdoing with any of the claims alleged in the Action or that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Defendant further makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for representative treatment. Defendant asserts several defenses to the claims and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted. Except as necessary in a proceeding to enforce the terms of this Settlement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. Nor shall anything in this Agreement be construed or deemed an admission that the Action was properly brought as Private Attorney General Action under PAGA. Finally, nothing in this Agreement or in the Court's approval of the Settlement and/or Final Judgment shall be deemed a waiver of Defendant's right to enforce the arbitration agreements of Aggrieved Employees in the future.

2. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, Defendant shall pay One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00) as the **non-reversionary** Gross Settlement Amount to resolve the Action and the PAGA Released Claims. Defendant will not pay more than the Gross Settlement Amount (subject to the options set forth in Escalator Clause below). The payment of the Gross Settlement Amount shall be made within sixty (60) calendar days of the Effective Date. The Settlement Administrator will be solely responsible for establishing a qualified settlement fund ("QSF"), issuing payments and providing appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. Defendant shall deposit the Gross Settlement Amount into the QSF to be established by the Settlement Administrator who will then distribute all payments.

3. **Escalator Clause.** Defendant represents that as of March 21, 2025 there are no more than approximately 2,564 Pay Periods worked during the PAGA Period. In the event the number of Pay Periods worked increases by more than 10%, or more than 2,820 Pay Periods worked, then Defendant shall, at its option, either (a) increase the Gross Settlement Amount

proportionally by the Pay Periods in excess of the 10%; or (b) cap the end date of the PAGA Period as of the date the number of Pay Periods reaches but does exceed 10% (the "Escalator Clause") Under option (a) an increase by more than 10% shall mean should the number of pay periods increase by more than 10% through the PAGA Period, this will increase the Gross Settlement Amount proportionally over the 10% increase. For example, if the number of Pay Periods increase by 11% through the PAGA Period, and Defendant elects option (a) set forth above, then the Gross Settlement Amount shall increase by 1%. No later than June 3, 2025 and before Plaintiff files its motion for approval of the Settlement, Defendant's counsel shall provide to Plaintiff's counsel either a declaration attesting to the number of Pay Periods worked during the PAGA Period or provide an Aggrieved Employee list without names with either their Pay Periods worked during the PAGA Period or dates of employment so that the number of Pay Periods can be calculated. Once the number of Pay Periods have been confirmed by both Parties, if the Escalator Clause is triggered, Defendant shall advise Plaintiff of which option it will choose.

4. **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 distribute to the LWDA and Aggrieved Employees:

a. Plaintiffs Counsel's Fees and Costs. Defendant will not oppose Plaintiffs request for attorneys' fees in the amount up to one-third (33 1/3%) of the Gross Settlement Amount (currently estimated at $58,333.33), and costs incurred in prosecuting this Action up to $20,000.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount; Defendant will not be responsible for making up the difference to Plaintiff's Counsel. Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Administration Costs. Defendant will not oppose the Settlement Administrator's costs in the amount up to $3,975.00 for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount; Defendant will not be responsible for making up the difference to the Settlement Administrator. Defendant, via the Settlement Administrator, will report this payment on IRS Form I099 issued to the Settlement Administrator.

c. Plaintiff's Enhancement Award. Defendant will not oppose Plaintiff's request for an enhancement award in the amount of $5,000.00 for Plaintiff's service to the LWDA and the Aggrieved Employees, and the risk Plaintiff undertook by attaching Plaintiff's name to the Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount; Defendant will not be responsible for making up the difference to Plaintiff. If the Court believes the enhancement award should be reduced, the other terms of the Settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

5. **Allocation of Net Settlement Amount.** The Net Settlement Amount shall be distributed pursuant to Labor Code§ 2699(i) as follows:

a. 75% of the Net Settlement Amount shall be distributed to the LWDA. 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 for Defendant in California during the PAGA Period. To determine an Aggrieved Employee's potential claim, the settlement administrator will divide the amount of the Aggrieved Employees' 25% share of the Net Settlement Amount by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period and multiply the result by the number of pay periods worked by that Aggrieved Employee.

b. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate the allocation of funds in good faith in an effort to obtain approval of the Settlement.

c. Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys' Fees and Costs, Enhancement Award, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

6. **PAGA Released Claims.** Plaintiff agrees that upon the Effective Date of this Agreement and full payment by Defendant of the Gross Settlement Amount, all Aggrieved Employees, including Plaintiff, and the State of California (to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA Period), will release and discharge any and all PAGA Released Claims against Defendant and the Released Parties that arose during the PAGA Period. Upon the Effective Date of this Agreement, as well as full payment by Defendant of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against Defendant and the Released Parties.

7. **No Right to Opt-Out.** Aggrieved Employees do not have the right to object or opt out of or otherwise exclude themselves from the settlement of claims for civil penalties under PAGA, and upon approval of the Settlement by the Court, each Aggrieved Employee will have released Defendant and each of the Released Parties of and for claims for civil penalties under PAGA released herein and each Aggrieved Employee will be entitled to receive payment, in conformity with the Settlement. Aggrieved Employees will be bound by the terms of the Agreement, upon its approval by the Court, regardless of whether an Aggrieved Employee cashes any payment received as a result of this Settlement.

8. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.**

a. Plaintiff represents and warrants that Plaintiff 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.

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

9. **Notification to LWDA.** Plaintiff's counsel will notify the LWDA of the settlement at the time the settlement is submitted to the court for approval, seek approval of the settlement, and perform any and all statutory tasks as required by law.

10. **Approval and Implementation of the Agreement**.

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and 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).

(b) 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.

(c) The Parties shall seek to obtain Court approval of this Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Agreement to Defense Counsel for review. Defense Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Agreement is a condition precedent to any payments described in this Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Agreement shall be null and void, and the Parties will have no obligations under it. The sum of the Plaintiffs Counsel's Fees and Costs and Administration Costs shall be determined by the Court. The Court's approval or denial of any amount requested for these items is not a condition of this Agreement and shall be considered separate and apart from the fairness, reasonableness, and adequacy of this Agreement. Any order or proceeding relating to an application for the Plaintiffs Counsel's Fees and Costs, or Administration Costs shall not operate to terminate or cancel this Agreement.

11. **Termination of Settlement.** Notwithstanding any other provision of this Agreement, if the Court does not approve the Settlement, or if this Agreement does not become Effective as defined in this Settlement, or if the Court makes or orders material changes to the Basic Settlement Terms (defined as the amount of the Gross Settlement Amount; the time period

of the Released PAGA Claims; the covered PAGA Period; the Escalator Clause; and/or the Parties' respective right to terminate the settlement as provided herein), or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the material terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then 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 shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement. However, before exercising this option, a Party contemplating terminating the Settlement will attempt to work with the other Party in good faith to modify the Settlement in order to obtain Court approval or to otherwise cure any defect in the Settlement.

12. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement, and the Court retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement pursuant to Cal. Code Civ. Proc. § 664.6. This Settlement is expressly conditioned upon the Court entering 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.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to use Phoenix Settlement Administrator to handle the administration of this Settlement.

2. **Provision of Information for Aggrieved Employees.** Within five (5) business days of the Effective Date, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, total number of Pay Periods or dates of employment, and Social Security number. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

Within seven (7) business days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated individual settlement payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses.

Within twenty-one (21) calendar days of the Settlement being fully funded as provided above in Section III.2, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A** and to be translated into Spanish by the Settlement Administrator, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra.* The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties/interest and reported using IRS Form 1099.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

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 Settlement Administrator will promptly attempt to determine the correct address, using a skip-trace or other similar search, using the name, address and/or Social Security number of the Aggrieved Employee involved and will perform a single re-mailing if a new address is located.

Defendant fully discharges its obligations to those Aggrieved Employees to whom they will pay an Individual PAGA Payment through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees. Funds represented by checks returned as undeliverable after a re-mailing, and funds represented by checks remaining un-cashed for more than 180 days after issuance, will be tendered to the State Controller's Office under the unclaimed property fund laws in the names of the Aggrieved Employees to whom the checks were issued, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b)

5. **Payment of Remainder.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator will distribute the following additional payments: (1) the 75% share of the Net Settlement Amount to the LWDA; (2) Court-approved attorney's fees and costs to Plaintiff's Counsel; (3) Court-approved enhancement award to Plaintiff; and (4) Court-approved administration costs to the Settlement Administrator.

6. **Accounting.** No later than ten (10) business days prior to the Court's Final Accounting Hearing, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement and/or uncashed.

7. **Tax Consequences.** Individual PAGA Payments made under this Settlement will be attributed 100% as penalties and interest and paid via IRS Form 1099 issued to each Aggrieved Employee. No portion of the Settlement is allocated to unpaid wages and the Settlement Administrator will be solely responsible for issuing the IRS Forms 1099, as required. Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement.

8. **Separate Non-PAGA Settlement Agreement**. The Parties have separately entered into a confidential settlement agreement regarding the non-PAGA claims by Plaintiff against Defendant arising out of Plaintiff's employment with Defendant and the termination of that employment. Nothing in this Agreement shall be construed to limit the Parties' rights under the separate agreement.

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

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 are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Plaintiff nor Defendant shall be considered the "drafter" of this Settlement for purposes of having terms construed against that Party. This Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

2. **Successors.** This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, assigns, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees and other fees incurred in connection with this Settlement and Plaintiff's PAGA claim, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement shall be construed under and governed by the laws of the state of California. This Settlement shall be deemed to have been entered into in the County of Orange, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of Orange.

5. **Complete Agreement.** The Parties each 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 counsel for the Parties hereto.

6. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement and any documents generated to bring it into effect, will be null and void, and

the Parties will be returned to their original respective positions unless otherwise required under this Agreement.

7. **Judgment and Continued Jurisdiction.** After approval of 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. Plaintiff will submit a proposed judgment in conformity with this Agreement to be entered by the Court, which shall constitute a final and binding resolution of the PAGA claim in the Action.

8. **Authorization to Enter into Settlement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

9. **Execution and Counterparts.** This Settlement is subject only to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including electronic signature, facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

10. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement is a fair, adequate and reasonable settlement of the PAGA claim in the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel and with the assistance of an experienced mediator. 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. the same instrument.

11. **Waiver of Certain Appeals**. The Parties agree to waive appeals; except, however, that Plaintiff may appeal any reduction to the Plaintiff's Counsel's Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

12. **Invalidity of Any Provision.** Before declaring any provision of this Settlement 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 valid and enforceable.

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

14. **Severability.** If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement 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.

15. **Waiver.** No waiver of any condition or covenant contained in this Settlement 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.

16. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

17. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement 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 under California Code of Civil Procedure § 664.6 and any other applicable statute or law, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

18. **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.

19. **Confidential.** The Parties agree that this Settlement is confidential (except for purposes of enforcement) and that no Party will issue any press release nor other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the Settlement. The Parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about this case.

20. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action, motion, 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 Agreement, the prevailing Party or Parties will be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs incurred in connection with any action, motion, or other proceeding.

21. **Interim Stay of Proceedings.** The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

HAVING ELECTED TO EXCECUTE THIS AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

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

ACCEPTED AND AGREED:

Dated: 07 / 25 / 2025, 2025

Juan C Arias

Plaintiff Juan Arias

Dated: 7/30/25, 2025

Kevin Rockoff

Defendant Contactability.com LLC

Kevin Rockoff

Printed Name

General Counsel

Title

AGREED AS TO FORM AND CONTENT:

Dated: July 25, 2025

William C. Sung
Tiffany L. Luu
JUSTICE FOR WORKERS P.C
Attorneys for Plaintiff

Dated: July 29, 2025

Christine Baran
FISHER & PHILLIPS LLP
Attorneys for Defendant

EXHIBIT A

Re: ***Payment from Juan Arias v. Contactability.com LLC***
Superior Court of California for County of Orange
Case No. 30-2023-0135200-CU-OE-CXC

SIMID
Name
Address

Dear NAME:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Juan Arias v. Contactability.com LLC*, Case No. 30-2023-0135200-CU-OE-CXC, pending in the Superior Court of California for the County of Orange (the "Action").

The Action was filed against Contactability.com LLC ("Defendant") and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq*. ("PAGA"). The Action was brought by Plaintiff Juan Arias ("Plaintiff'), a former employee of Defendant, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiff claimed that Defendant owed civil penalties under PAGA for alleged violations of the California Labor Code. The parties have reached a settlement of Plaintiff's claims, and on DATE, the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendant who were allegedly affected by the alleged violations of the Labor Code. By agreeing to this settlement, Defendant does not admit and expressly denies that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiff's claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller's Unclaimed Property Fund in your name. If you are still employed by Defendant, your decision to cash the check will not affect your employment.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims for civil penalties under the PAGA that were alleged or reasonably could have been alleged based on the facts alleged in Plaintiff's governing complaint in the Action and/or notices submitted to the California Labor and Workforce Development Agency which arose from July 26, 2022 through May 20, 2025 (the "PAGA Period"), including claims for failure to pay overtime wages; failure to pay minimum wages including straight time and paid seek leave wages; any claims for additional wages owed due to "off the clock" work, rounding, and/or regular rate; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due including failure to timely pay final wages upon termination; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; failure to pay timely wages during employment; wage statement violations and failure to furnish accurate wage statements; failure to keep and maintain accurate payroll records and records of hours worked and meal breaks; failure to reimburse expenses; failure to incorporate non-discretionary bonuses, incentive pay, production pay, performance pay, and/or shift differentials and commissions into the regular rate; unlawful non-compete and non-solicitation agreements in violation of Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.2, 226.3, 226.7, 246, 256, 432.5, 510, 512, 516, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698, 2699, 2699.3 2800, 2802, 2804, and the applicable Wage Order and/or claims for attorneys' fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289, California Industrial Commission Wage Orders, and all claims for attorneys' fees and costs and statutory interest in connection therewith.

If you have any questions, you can contact Phoenix Settlement Administrators, the Settlement Administrator, at (____) ____-_________.