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Attorneys for Plaintiff Vincent Williams

SUPERIOR COURT OF THE STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

UNLIMITED JURISDICTION

VINCENT WILLIAMS, an individual, Plaintiff, v. AUTO-CHLOR SYSTEM OF NORTHERN CALIFORNIA, INC., a California corporation; AUTO-CHLOR SYSTEM, LLC, a Delaware limited liability company; and DOES 1-25, inclusive, Defendants.	Case No. CGC-23-608789 **DECLARATION OF JOHN A. LOFTON IN SUPPORT OF MOTION FOR APPROVAL OF SETTLEMENT OF LABOR CODE §2698, *et seq.* PRIVATE ATTORNEYS GENERAL ACT ("PAGA") CLAIMS** Date: September 14, 2026 Dept.: 301 Time: 9:00 a.m.

I, John A. Lofton, declare as follows:

1. I am an attorney at law licensed to practice in the State of California and before this Court. I am of counsel at the law firm Aiman-Smith & Marcy, P.C. ("ASM"), counsel of record for Plaintiff Vincent Williams, on behalf of himself, the LWDA, and the aggrieved employees of Defendants Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, LLC, in this action. The facts stated herein are true of my own personal knowledge, except as to those facts stated on information and belief, and as to those facts I believe them to be true. This declaration is provided in support of Plaintiff's Motion for Approval of Settlement of Labor Code Section 2698,

et seq., Private Attorneys General Act ("PAGA") Claims.

Investigation, Mediation, and Settlement

2. Prior to filing the complaint, my office thoroughly investigated the facts and legal issues in this case. I had multiple communications with Plaintiff Williams, who provided valuable information about his experiences and those of other employees.

3. On July 13, 2023, I filed Mr. Williams' PAGA claim notice with the Labor and Workforce Development Agency ("LWDA") and caused it to be sent by certified mail to Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, LLC. On November 10, 2024, I filed and mailed Mr. Williams' amended PAGA claim notice. True and correct copies of the PAGA claim notices are attached hereto as Exhibit A.

4. Over the course of the litigation, the parties exchanged significant discovery. Among other things, Defendants provided tens of thousands of employment records, wage records, time records, and the like for Mr. Williams and the PAGA employees during the relevant time period. This information, along with the independent investigation conducted by Plaintiff's counsel, was sufficient for Plaintiff to assess the strengths and weaknesses of the case, to perform a thorough damages analysis.

5. During the course of litigation, mediation, and settlement negotiations, I undertook significant efforts to analyze the risks and benefits of litigation and potential damages/penalties exposure, which included but was not limited to, the following:

- interviewing Plaintiff at length on repeated occasions;
- interviewing dozens of current and former employees of Defendants;
- serving twelve sets of formal discovery requests;
- reviewing and analyzing tens of thousands of wage, time, and scheduling records;
- researching applicable laws;
- preparing the terms of the PAGA claim notices;
- ongoing meet and confer efforts with defense counsel;
- filing and prevailing on three separate motions to compel discovery responses,

including recovering $5,000 in discovery sanctions;

- defeating Defendants' motion to strike, motion for summary judgment, and motion for C.C.P. §128.7 sanctions;
- preparing a detailed mediation brief;
- attending a full-day mediation;
- preparing and negotiating about the terms of the Settlement Agreement; and
- preparing Plaintiffs' Motion for Approval of PAGA Settlement and supporting documents.

6. On January 12, 2026, the parties attended a full day mediation before T. Warren Jackson and engaged in arm's-length negotiations. After a full day of mediation, followed by months of follow-up negotiations, the parties agreed to a non-reversionary settlement of the PAGA claims in the amount of $140,000.

7. The parties entered into a long form settlement agreement, which was fully and finally signed on June 30, 2026. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit B.

8. A copy of the Settlement Agreement and this motion will be submitted to the LWDA on the same day this motion is filed with the court.

9. The Settlement was reached only after arm's length and good faith negotiations. The parties mediated the case on January 12, 2026. The mediator, T. Warren Jackson, is an experienced mediator of employment and PAGA cases. Prior to mediation, the parties vigorously litigated this case for over two years, engaging in a significant exchange of data, with Defendants providing Plaintiff's Counsel with tens of thousands of records relating to the PAGA Employees' scheduling, pay, hours, wages, meal periods, overtime pay, and the like. The parties provided detailed mediation briefs, and I prepared an extensive analysis of the potential exposure. The parties engaged in a significant exchange of data and had sufficient information to evaluate the strengths and weaknesses of the claims and defenses, whether to pursue litigation or settle, and the appropriate settlement value of the claims. Despite zealous advocacy from both sides, the risks of

continued litigation had to be considered and a compromise of the claims was settled upon.

10. Under PAGA, a maximum penalty of $100 per pay period is assessed for initial violations or $200 if the violations involve malicious, fraudulent, or oppressive conduct. Per Defendant, there were 11,523 pay periods during the PAGA Period worked by approximately 314 employees. At $100 per each of the 11,523 pay periods, this is a likely maximum exposure at trial of $1.15 Million. However, this number is wildly unrealistic in practice, and the actual exposure is limited by the violation rate less than 100% as well as Defendants' remedial efforts. I estimated a likely maximum exposure in the range of $350,000 based on a penalty assessment in the range of $30 per pay period. That figure would likely be further reduced based on a violation rate of less than 100% as well as Defendant's demonstrated remedial efforts, including paying many employees the penalty prescribed under Labor Code §226.7 for missed meal and rest periods and changing their policies to minimize further violations.

11. For all the alleged violations, the evidence principally supported Plaintiff's PAGA claims for missed meal and rest periods, which in turn supported the derivative claims of unpaid wages, inaccurate record keeping, and inaccurate wage statements. Defendants' wage and time records were the primary evidence, along with Plaintiff's and other employees' testimony. If the matter had not settled, testimony of dozens of other employees, through what would have been numerous time-consuming depositions, would also have been necessary. At the time of settlement, the parties had more than twenty depositions planned. Although there were 11,523 pay periods during the PAGA Period, the wage and time records did not show consistent violations per pay period. To the contrary, the violations alleged by Plaintiff – namely, inadequate meal and rest periods due to Defendants understaffing, overworking employees, and requiring employees to work through their breaks – are by their nature not reflected in wage and time records. Likewise, the documentary evidence developed in the course of discovery in support of unauthorized deductions from wages and failure to reimburse turned out to be minimal. Here, the settlement for $140,000 is an excellent result given the Court's discretion to reduce the penalty award in light of Defendants' defenses and remedial efforts.

12. Plaintiff's counsel believes that this settlement is fair, reasonable, and adequate and in the best interest of the LWDA and Aggrieved Employees.

PAGA Representative Service Awards

13. Mr. Williams spent a significant amount of time helping me and my firm with the prosecution of this action and performing the following tasks: (1) meeting with and communicating with me on numerous occasions; (2) detailing his experiences and producing copies of pertinent documents; (3) identifying and contacting witnesses; (4) assisting in preparing and reviewing the PAGA claim notices and complaint; (5) providing material support in the preparation and review of formal and informal discovery; (6) reviewing the employment records and wage and time records produced by Defendants; (7) having his deposition taken, (8) reviewing the mediation documents prepared and participating in the full day mediation; (9) reviewing the terms of and signing the Settlement Agreement; and (10) assisting in the preparation of this motion.

14. Plaintiff also faced great risk in challenging Defendants' employment policies and bringing suit against his former employer, not least because Plaintiffs faced potential liability for Defendants' costs if Defendants prevailed.

15. Additionally, the notoriety of being a PAGA or class action representative is even more significant today given the accessibility of court documents on-line and PAGA/class action blogs. Employers frequently perform background checks of applicants and the fact that an individual has sued a former employer in a representative action in the same profession will likely be viewed negatively. Thus, the incentive award is necessary to award Mr. Williams for the notoriety and risk taken in his role as PAGA representatives.

Attorneys' Fees and Costs

16. Plaintiff seek approval of attorneys' fees, as part of this Settlement, of 35% of the Gross Settlement Amount, in the amount of $49,000.00, in consideration of the time, effort, and expertise Plaintiff's Counsel expended on a contingent basis for the benefit of the LWDA and the

Aggrieved Employees. The attorneys' fees and costs will be paid from the agreed upon settlement amount.

17. Plaintiff's Counsel are experienced in civil litigation and representative actions. My firm substantially concentrates its practice in the prosecution of representative actions and we have successfully served as class counsel and PAGA counsel in prosecuting dozens of complex actions against major corporations, including taking cases to judgment and to appeal. We have recovered tens of millions of dollars in benefits for individuals and aggrieved employes across the country. Five of our recent published appellate opinions are Bradley v. Networkers International LLC, 211 Cal.App.4th 1129 (2012), Benton v. Telecom Network Specialists, Inc., 220 Cal.App.4th 701 (2013), Accurso v. In-N-Out Burgers, 94 Cal.App.5th 1128 (2023), Piplack v. In-N-Out Burgers, 99 Cal.App.5th 1281 (2023), and Paknad v. Superior Court, 119 Cal.App.5th 1256 (2026), which have been cited in case law more than one hundred times.

18. I am a 2002 graduate of the University of California, Berkeley School of Law ("Boalt Hall"), a Top 10 law school (at the time). I graduated with a Bachelor of Arts (Honors) from the University of Texas at Austin in 1998. I have been practicing law for 24 years. I primarily handle unlimited civil litigation cases in California employment law, the majority of which are PAGA or class action cases. I have personally negotiated six-, seven-, and eight-figure settlements of employment and consumer rights PAGA and class action cases.

19. My firm routinely reviews billing rates of other plaintiffs' firms as well as the billing rates of the defense firms we practice against to confirm that our billing rates are comparable. For these reasons, I believe that my regular hourly rate of $875 is a reasonable hourly rate.

20. From the outset of the case to the present, prosecution of this action has involved significant financial risk for Plaintiff's Counsel. We undertook this matter solely on a contingent basis, with no guarantee of recovery, and have placed our own resources at risk to prosecute this action with no guarantee of success.

21. If Defendants prevailed on any one of their affirmative defenses raised, it could substantially reduce, if not wholly defeat, recovery. Despite such challenges, I was able to secure a favorable settlement which provides recovery to Mr. Williams, the aggrieved PAGA Employees, and the LWDA.

22. The quality of opposing counsel is also important to evaluating the quality of the work done by Plaintiff's Counsel. Here, Defendants were represented by Craig A. Horowitz and Wayne Clayton of Horowitz & Clayton, a Professional Corporation, experienced employment litigators. Thus, the complexity and potential duration of the case, and that in the face of experienced and resourceful opposition, weigh in favor of awarding the requested attorneys' fees.

23. The results achieved by the Settlement support Plaintiff's Counsel's request for attorneys' fees. The Settlement will result in payment of approximately $41,625 to the LWDA and $13,875 to the PAGA Employees.

24. The efficiency with which this litigation was conducted and resolved should also be rewarded. The LWDA and PAGA Employees will directly benefit from the prompt and fair resolution of their claims. They will be receiving an award promptly upon court approval as opposed to waiting years to recover some undetermined amount if they succeeded at trial, which is an uncertainty in itself.

25. A relevant factor in determining attorney's fees is whether the litigation required Plaintiff's Counsel to forego other employment. Here, there was additional work that was available to my firm that we had to forgo to devote the time necessary to pursue this litigation. Specifically, my firm undertakes marketing efforts that generate a steady stream of leads and potential cases, and we are only able to take on a portion of those cases and forego the remainder, so it is essential that we earn our fees for the cases we do accept.

26. Accordingly, attorney's fees in the amount of $49,000, which is 35% of the Gross Settlement Amount, is fair and reasonable under the circumstances, and under California precedent. For the purposes of a lodestar cross-check, I have spent more than 340 hours working on this matter at my regular and customary hourly rate of $875, for a total of more than $297,500

– which is more than five times the fees requested by this motion. I expect to spend another 5-10 hours seeing this motion through approval, assisting in the administration of the settlement, responding to questions and concerns of the Aggrieved Employees, and supervising compliance.

27. The lodestar summary for all attorneys working on this case is therefore:

Attorney	**Experience**	**Hourly Rate**	**Total Hours**	**Lodestar**
John Lofton	24 years	$875	340	$297,500

28. This case was heavily litigated over more than two and a half years with numerous motions and extensive discovery. The case involved multiple rounds of discovery, almost all of which were heavily disputed, four discovery motions, production of tens of thousands of employment records and other documents, multiple depositions, and two rounds of Belaire-West notices to employees. Out of eight motions filed in this case, Plaintiff prevailed on seven of them, recovering $5,000 in discovery sanctions:

- April 17, 2024 Order **granting** in part Plaintiff's Motion to Compel Further Discovery Responses
- April 26, 2024 Order **granting** Plaintiff's Motion for Leave to Amend
- July 11, 2024 Order **denying** Defendants' Motion to Strike
- March 6, 2025 Order **granting** in part Plaintiff's Motion for Sanctions
- August 14, 2025 Order **denying** Defendants' Motion for Summary Judgment
- August 14, 2025 Order **denying** Defendants' Motion for §128.7 Sanctions
- April 1, 2026 Order **granting** Plaintiff's Motion to Compel Discovery and ordering monetary sanctions against Defendants.

29. Plaintiffs' Counsel's litigation costs were all reasonable and necessary expenses in litigating and resolving this action. A true and correct copy of the itemized list of costs, in the amount of $23,971.19, is attached hereto as Exhibit C.

Settlement Administrator

30. The Settlement Administrator will pay out of the Gross Settlement Amount to itself its reasonable fees and expenses, not to exceed $7,000.00, after such payment has been approved by the Court. CPT Group, Inc. is a well-known and respected Settlement Administrator. A true and correct copy of the quote from CPT Group, Inc. for $6,500.00 is attached hereto as Exhibit D. I have used CPT Group, Inc. in other matters, and I know its rates to be fair and competitive.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. This Declaration was executed on August 12, 2026 at San Leandro, California.

John A. Lofton

Exhibit A

July 13, 2023

Via Certified Mail

Auto-Chlor System of Northern California, Inc.
c/o Jerry Ivy
450 Ferguson Dr.
Mountain View, CA 94043

Auto-Chlor System, L.L.C.
c/o Deborah Ivy
450 Ferguson Dr.
Mountain View, CA 94043

Re: PAGA Notice Pursuant to Labor Code § 2699.3(a)(1) of Violations of the California Labor Code

Dear Sirs or Madams:

Pursuant to California Labor Code §2699.3, Vince Williams hereby gives notice of violations of the following sections of the California Labor Code by Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, L.L.C. (collectively, "Employer"): §§201, 202, 204, 226, 226.7, 247.5, 510, 512, 558, 1174, 1197, and IWC Wage Order Nos. 4-2001 and 7-2001 (8 C.C.R. §§11040, 11070). Employer's legal violations as described herein were and are knowing and intentional.

Mr. Williams was an aggrieved employee of Employer as defined by California Labor Code §2699(c) because he was: (1) an employee of Employer within the 12 months prior to the filing of this notice, (2) against whom Employer's violations of the California Labor Code as described herein were committed.

I. Facts and Theories Giving Rise to Employer's Violations of the California Labor Code

Employer operates a commercial appliance manufacturing, leasing, and servicing business in California and other states. On information and belief, Employer employs more than two hundred employees in California. Mr. Williams was employed by Employer from approximately June 2021 to June 30, 2023, ostensibly as a salaried branch manager, but was in fact misclassified. Mr. Williams primarily performed non-managerial work and should have been classified as a non-exempt hourly employee. Mr. Williams is informed and believes that other employees were similarly misclassified.

During the relevant time period, Employer maintained a policy requiring Mr. Williams and other employees to work "on-call" week-long shifts in addition to their regular shifts. The on-call work generally consisted of employees responding to client issues, typically travelling to clients' places of business to work on appliances. The majority of this on-call work was in addition to employees' regular hours, and should have been tracked and paid as overtime work. However, Employer failed to track employee time spent on these calls, but would instead pay employees a flat rate per call. This payment scheme resulted in Mr. Williams and other employees being paid less than the wages to which they were entitled, including overtime wages.

Throughout his employment, Mr. Williams and other employees routinely worked in excess of eight hours in a day, forty hours in a workweek, and/or seven consecutive days in a workweek. Because of their misclassification, they were not paid for this overtime work and were not paid overtime premiums. Mr. Williams is informed and believes that Employer intentionally misclassified him and other employees to avoid paying overtime wages.

Because of their misclassification, Employer also failed to maintain accurate records of Mr. Williams' and other employees' days and hours actually worked. Employer failed to provide Mr. Williams and other employees with accurate, itemized wage statements as required by Labor Code §226. The wage statements did not include an accurate statement of the hours actually worked or the wages owed and unpaid as set forth above. Employer also failed to include the name and address of the legal entity that is the employer on its wage statements.

Throughout his employment, due to the press of business, inadequate staffing, misclassification, and other factors, Mr. Williams and other employees were denied timely and uninterrupted meal and rest periods. To the extent that Mr. Williams and other employees were able to take any breaks, they remained perpetually on call during their meal and rest periods to answer calls, speak to clients, counsel co-workers, and the like, and often were required to cut their meal and rest periods short.

Because Employer failed to provide timely meal and rest periods, it owes Mr. Williams and other employees one hour of compensation for each day worked with a missed meal period and one hour of compensation for each day worked with a missed rest period. Employer failed to pay Mr. Williams and other employees those wages when they were due and failed to pay Mr. Williams and other employees those wages upon termination.

When Mr. Williams' employment ended in June 2023, Employer failed to pay him all wages owed at the time of termination. To the extent that other employees also resigned from or were terminated by Employer during the past year, Employer willfully failed to pay those employees all wages due upon termination or within 72 hours of said members' resignation.

II. Provisions of the California Labor Code Violated by Employer and Penalties Sought

As a result of Employer's violations of the California Labor Code, as alleged herein, Mr. Williams is entitled to recover civil penalties pursuant to California Labor Code §2699 *et seq*. on behalf of himself and all other former or current California employees of Employer who were subjected to their violations of the California Labor Code as described herein.

For failing to provide meal periods in violation of Labor Code §§512 and 558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to provide one hour of pay to each employee who was not provided a timely meal period under Labor Code §§512 or 558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), in violation of Labor Code §226.7, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to provide rest periods in violation of Labor Code §558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $50 for each aggrieved employee per pay period for the initial violation and $100 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §558.

For failing to provide one hour of pay to each employee who was not provided a rest period under Labor Code §558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), in violation of Labor Code §226.7, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to maintain accurate time and payroll records in violation of Labor Code §§247.5, 558, and 1174 and Industrial Welfare Commission Wage Order Nos. 4-

2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay employees for all hours worked, in violation of Labor Code §§204 and 558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay at least the minimum wage for time worked, in violation of Labor Code §§558 and 1197 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay employees overtime premiums for work in excess of eight hours per day, forty hours per week, or six days within one workweek in violation of Labor Code §§510, 558, 1197 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to provide accurate, itemized wage statements in violation of Labor Code §226, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay all wages due at separation from employment or within 72 hours thereof in violation of Labor Code §§201 and 202, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

Please note that further investigation may shed light upon additional violations beyond those contained herein, and Mr. Williams reserves the right to file and serve a further amended notice should additional violations be discovered.

Sincerely,

AIMAN-SMITH & MARCY
A PROFESSIONAL CORPORATION

John A. Lofton

November 10, 2023

Via Certified Mail

Auto-Chlor System of Northern California, Inc.
c/o Jerry Ivy
450 Ferguson Dr.
Mountain View, CA 94043

Auto-Chlor System, L.L.C.
c/o Deborah Ivy
450 Ferguson Dr.
Mountain View, CA 94043

Re: Amended PAGA Notice Pursuant to Labor Code § 2699.3(a)(1) of Violations of the California Labor Code [LWDA-CM-967990-23]

Dear Sirs or Madams:

Pursuant to California Labor Code §2699.3, Vince Williams hereby gives amended notice of violations of the following sections of the California Labor Code by Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, L.L.C. (collectively, "Employer"): §§201, 202, 204, 221, 224, 226, 226.7, 247.5, 510, 512, 558, 1174, 1197, 2802, and IWC Wage Order Nos. 4-2001 and 7-2001 (8 C.C.R. §§11040, 11070). Employer's legal violations as described herein were and are knowing and intentional.

Mr. Williams was an aggrieved employee of Employer as defined by California Labor Code §2699(c) because he was: (1) an employee of Employer within the 12 months prior to the filing of this notice, (2) against whom Employer's violations of the California Labor Code as described herein were committed.

I. Facts and Theories Giving Rise to Employer's Violations of the California Labor Code

Employer operates a commercial appliance manufacturing, leasing, and servicing business in California and other states. On information and belief, Employer employs more than two hundred employees in California. Mr. Williams was employed by Employer from approximately June 2021 to June 30, 2023, ostensibly as a salaried branch manager, but was in fact misclassified. Mr. Williams primarily performed non-managerial work and should have been classified as a non-exempt hourly employee. Mr. Williams is informed and believes that other employees were similarly misclassified.

During the relevant time period, Employer maintained a policy requiring Mr. Williams and other employees to work "on-call" week-long shifts in addition to their regular shifts. The on-call work generally consisted of employees responding to client issues, typically travelling to clients' places of business to work on appliances. The majority of this on-call work was in addition to employees' regular hours, and should have been tracked and paid as overtime work. However, Employer failed to track employee time spent on these calls, but would instead pay employees a flat rate per call. This payment scheme resulted in Mr. Williams and other employees being paid less than the wages to which they were entitled, including overtime wages.

Throughout his employment, Mr. Williams and other employees routinely worked in excess of eight hours in a day, forty hours in a workweek, and/or seven consecutive days in a workweek. Because of their misclassification and/or due to the way that the "on call" work was paid, they were not paid for this overtime work and were not paid overtime premiums. Mr. Williams is informed and believes that Employer intentionally misclassified him and other employees to avoid paying overtime wages.

Because of their misclassification and because of the way the "on call" work was recorded, Employer also failed to maintain accurate records of Mr. Williams' and other employees' days and hours actually worked. Employer failed to provide Mr. Williams and other employees with accurate, itemized wage statements as required by Labor Code §226. The wage statements did not include an accurate statement of the hours actually worked or the wages owed and unpaid as set forth above. Employer also failed to include the name and address of the legal entity that is the employer on its wage statements.

Each of Mr. Williams' wage statements show an "Earnings" line item for "Auto Allowance" in the amount of $30.00. Another line item for "Auto Allowance" appears under "Deductions" in the same amount. Thus, it appears that Employer credited Mr. Williams with $30.00, Mr. Williams paid taxes on that amount as taxable wages, then Employer deducted $30.00 without authorization from Mr. Williams and without any credit for the taxes paid by Mr. Williams, resulting in inaccurate wage statements, unauthorized deductions, and unpaid wages. Mr. Williams is informed and Employer engaged in similar misconduct with other employees.

Throughout his employment, Mr. Williams and other employees were required to wear specific footwear. Employer also required Mr. Williams and other employees to use their personal mobile phones for work purposes and required them to install and use third-party software (TRUCE) on their phones. Employer failed and refused to reimburse employees for the full costs of that footwear or the costs of the mobile phones, despite them being mandated by Employer and for the benefit of Employer's business.

Throughout his employment, due to the press of business, inadequate staffing, misclassification, and other factors, Mr. Williams and other employees were denied timely and uninterrupted meal and rest periods. To the extent that Mr. Williams and other employees were able to take any breaks, they remained perpetually on call during their meal and rest periods to answer calls, speak to clients, counsel co-workers, and the like, and often were required to cut their meal and rest periods short.

Because Employer failed to provide timely meal and rest periods, it owes Mr. Williams and other employees one hour of compensation for each day worked with a missed meal period and one hour of compensation for each day worked with a missed rest period. Employer failed to pay Mr. Williams and other employees those wages when they were due and failed to pay Mr. Williams and other employees those wages upon termination.

When Mr. Williams' employment ended in June 2023, Employer failed to pay him all wages owed at the time of termination. To the extent that other employees also resigned from or were terminated by Employer during the past year, Employer willfully failed to pay those employees all wages due upon termination or within 72 hours of said members' resignation.

II. Provisions of the California Labor Code Violated by Employer and Penalties Sought

As a result of Employer's violations of the California Labor Code, as alleged herein, Mr. Williams is entitled to recover civil penalties pursuant to California Labor Code §2699 *et seq*. on behalf of himself and all other former or current California employees of Employer who were subjected to their violations of the California Labor Code as described herein.

For failing to provide meal periods in violation of Labor Code §§512 and 558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to provide one hour of pay to each employee who was not provided a timely meal period under Labor Code §§512 or 558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), in violation of Labor Code §226.7, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to provide rest periods in violation of Labor Code §558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $50 for each aggrieved employee per pay period for the initial violation and $100 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §558.

For failing to provide one hour of pay to each employee who was not provided a rest period under Labor Code §558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), in violation of Labor Code §226.7, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to maintain accurate time and payroll records in violation of Labor Code §§247.5, 558, and 1174 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay employees for all hours worked, in violation of Labor Code §§204 and 558 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay at least the minimum wage for time worked, in violation of Labor Code §§558 and 1197 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay employees overtime premiums for work in excess of eight hours per day, forty hours per week, or six days within one workweek in violation of Labor Code §§510, 558, 1197 and Industrial Welfare Commission Wage Order Nos. 4-2001 and/or 7-2001 (8 C.C.R. §§11040, 11070), Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For making unauthorized deductions from employee wages in violation of Labor Code §§221 and 224, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to reimburse employees for expenditures incurred by the employees at the instruction of Employer, in violation of Labor Code §2802, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to provide accurate, itemized wage statements in violation of Labor Code §226, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

For failing to pay all wages due at separation from employment or within 72 hours thereof in violation of Labor Code §§201 and 202, Employer is subject to civil penalties in the amount of $100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation pursuant to Labor Code §2699(f).

Please note that further investigation may shed light upon additional violations beyond those contained herein, and Mr. Williams reserves the right to file and serve a further amended notice should additional violations be discovered.

Sincerely,

AIMAN-SMITH & MARCY
A PROFESSIONAL CORPORATION

John A. Lofton

Exhibit B

PAGA SETTLEMENT AND RELEASE AGREEMENT

This PAGA Settlement and Release Agreement ("Agreement") is made and entered into by and between Plaintiff Vincent Williams ("Plaintiff") and Defendants Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, LLC ("Defendants") (collectively referred to as "the Parties"), for the following purposes and with reference to the following facts, and is subject to approval of the Court.

I. DEFINITIONS

1. "Action" means and refers to Vincent Williams v. Auto-Chlor System of Northern California, Inc.., *et al.*, San Francisco Superior Court Case No. CGC-23-608789, and those claims identified by Plaintiff in his letters to the Labor Workforce Development Agency regarding Defendants dated July 13, 2023 and November 10, 2023.

2. "Court" means and refers to the San Francisco Superior Court.

3. "Defendants" means and refers to Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, LLC.

4. "Defendant's Counsel" means and refers to Craig A. Horowitz of Horowitz & Clayton, a Professional Corporation.

5. "Effective Date" means and refers to the date the Court approves this PAGA Settlement and Release Agreement.

6. "Incentive Award" means and refers to the monetary amount to be paid to Plaintiff in an amount of up to $5,000 as an incentive for bringing this Action in a representative capacity.

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

8. "LWDA Settlement Proceeds" means and refers to the seventy-five percent (75%) of the Net Settlement Amount that shall be paid to the Labor Workforce and Development Agency.

9. "Net Settlement Amount" means and refers to the Settlement Amount less the Plaintiff's Counsel's attorneys' fees and litigation costs, Incentive Award, and the Settlement Administrator costs.

10. "Notice" means and refers to the notice that will be sent to the PAGA Employees after the Court's entry of its Order approving this PAGA Settlement and Release Agreement.

11. "PAGA Employees" is defined in Paragraph 18 of the Second Amended Complaint filed on May 3, 2024 and means and refers for settlement purposes to all current and former exempt and non-exempt employees of Defendants in California at any time between July 13, 2022 and April 10, 2026 who allegedly personally suffered the violations alleged during this period.

12. "PAGA Employees' Settlement Proceeds" means and refers to the twenty-five percent (25%) of the Net Settlement Amount that shall be paid to the PAGA Employees.

13. “PAGA Period” means and refers to the period from July 13, 2022 and April 10, 2026.

14. “PAGA Released Claims” mean any and all claims, debts, liabilities, demands, obligations, guarantees, damages, wages, benefits, penalties, interest, attorneys’ fees, costs, expenses, actions or causes of action, in law or equity, whether known or unknown, which have been or could have been asserted by Plaintiff and/or any of the PAGA Employees and/or that could have been assessed upon and collected from the Released Parties under PAGA, based on the factual allegations in the Complaint, including, but not limited to, purported violations of California Labor Code §§201, 202, 204, 221, 224, 226, 226.7, 247.5, 510, 512, 558, 1174, 1197, 2802, and IWC Wage Order Nos. 4-2001 and 7-2001 (8 C.C.R. §§11040, 11070), arising during the PAGA Period, from: alleged misclassification of exempt employees including but not limited to Branch Managers, failure to pay all wages on time and at termination, including minimum and overtime wages for all hours; unauthorized deductions from wages; failure to provide accurate, itemized wage statements; failure to maintain accurate wage and time records; failure to reimburse business-related expenses; and failure to provide compliant meal and rest periods.

15. “Parties” means and refers to the Plaintiff and the Defendants, collectively.

16. “Plaintiff” means and refers to Vincent Williams.

17. “Plaintiff’s Counsel” means and refers to John A. Lofton of Aiman-Smith & Marcy, P.C.

18. “Released Parties” means and refers to, Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, LLC, and their respective past, present, and future officers, directors, employees, board members, shareholders, attorneys, insurers, reinsurers, customers, partners, investors, members, representatives, predecessors, parent companies, subsidiaries, affiliates, divisions, successors, agents and principals, and its and their members, heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns.

19. “Settlement Administrator” means and refers to CPT Group, Inc. that will administer this PAGA Settlement and Release Agreement as agreed between the Parties and approved by the Court.

20. “Settlement Administrator Costs” means and refers to the fees and costs incurred or charged by the Settlement Administrator in connection with its duties under this Agreement, including but not limited to fees and costs associated with: (1) performing a national change of address search for PAGA Employees; (2) establishing and maintaining the Qualified Settlement Fund for the disbursement of the Settlement Amount; (3) computing the amount of the settlement and other payments to be made from the Settlement Amount; (4) processing and mailing the settlement and other payments, including the Notice to the PAGA Employees, under this Settlement and Release Agreement; (5) printing and providing Plaintiff, Plaintiff’s Counsel and the PAGA Employees with IRS 1099 forms as required by this Agreement and applicable law; (6) preparing, issuing, and filing any tax returns and information returns and other filings required by any governmental taxing authority or other governmental agency; and (7) for such other tasks as the Parties mutually agree upon or the Court orders the Settlement Administrator to perform.

21. "Settlement Amount" means and refers to the maximum settlement amount of One Hundred Forty Thousand Dollars ($140,000) that Defendants will pay under this Agreement.

II. PROCEDURAL HISTORY

22. Plaintiff Williams submitted a PAGA claim notice dated July 13, 2023 and an amended PAGA claim notice dated November 10, 2023 to the LWDA notifying it of his claims against Defendants on behalf of himself and similarly aggrieved employees. On September 1, 2023, Plaintiff filed this Action in San Francisco Superior Court, followed by a First Amended Complaint on September 18, 2023 and a Second Amended Complaint on May 3, 2024. The Action contains individual and PAGA-based claims concerning violations of Labor Code §§201, 202, 204, 221, 224, 226, 226.7, 247.5, 510, 512, 558, 1174, 1197, 2802, and IWC Wage Order Nos. 4-2001 and 7-2001 (8 C.C.R. §§11040, 11070).

23. Defendants deny Plaintiff's claims and allegations, deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, and deny that Plaintiff can proceed with his claims on a representative basis.

24. The Parties engaged in extensive discovery and exchange of relevant information.

25. Following a full-day mediation on January 12, 2026, and protracted negotiations thereafter, the Parties successfully negotiated a settlement of the entire Action. Defendants represent that the total number of aggrieved employees during the PAGA period is approximately 314 and the total number of pay periods during the PAGA period at issue is approximately 11,523.

26. Based on the foregoing 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 Agreement is fair, reasonable, and adequate and is in the best interest of the Plaintiff, the LWDA, and the PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, the uncertainty associated with litigation, and the various defenses asserted by Defendants.

27. The Parties agree that neither the Parties' settlement, nor this PAGA Settlement and Release Agreement, nor the acts to be performed or the orders to be entered pursuant to the terms of this Settlement and Release Agreement, shall be construed as an admission by Defendants of any wrongdoing, any violation of any statute or law, or any liability arising from the claims or allegations in the Action.

NOW, THEREFORE, in consideration of the promises and covenants set forth herein and other good and valuable consideration, receipt of which is acknowledged herein, it is hereby agreed by and between the Parties as follows:

III. TERMS OF SETTLEMENT

28. The financial terms of the settlement are as follows:

(a) **Settlement Amount:** The Parties agree that, subject to the Court's review and approval, Defendants will pay a total of One Hundred Forty Thousand Dollars ($140,000) under this Agreement ("Settlement Amount"). This Settlement Amount is inclusive of the PAGA settlement payment to Plaintiff, the State of California, the PAGA Employees, Plaintiff's Counsel's attorneys' fees and litigation costs, Plaintiff's Incentive Award, and the Settlement Administrator costs. Defendants will have no other monetary obligations under this Settlement and Release Agreement and no portion of the Settlement Amount will revert to Defendants.

(b) **Attorneys' Fees and Costs:** The Parties agree that, subject to the Court's review and approval, Plaintiff's Counsel will be paid a maximum of thirty-five percent of the Settlement Amount as attorneys' fees ($49,000), plus its reasonable litigation costs (estimated to be approximately $24,000, and not to exceed $25,000), based on actual costs to be submitted to the Court, both of which will be paid from the Settlement Amount. Defendants will not oppose a request for Court approval of these payments, provided they do not exceed these amounts. If the Court approves Plaintiff's counsel's payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Plaintiff's Counsel arising from any claim to any portion of the fees and expenses. Defendants agree not to oppose any contention by Plaintiff's Counsel that attorneys' fees should be based on the common fund theory.

(c) **Settlement Administrator Costs:** The Parties agree that the Settlement Administrator Costs (estimated to be approximately $6,500) shall be paid from the Settlement Amount.

(d) **Incentive Awards:** The Parties agree that, subject to the Court's review and approval, Plaintiff will request an Incentive Award in the amount of Five Thousand Dollars ($5,000).

(e) **Allocation of Net Settlement Amount:** After deducting the amounts specified in items (b) through (d) from the Settlement Amount, the balance remaining will form the Net Settlement Amount (approximately $55,500) and will be paid to the LWDA and the PAGA Employees as follows:

(i) Seventy-five percent (75%), estimated to be approximately $41,625, will be paid to the LWDA.

(ii) Twenty-five percent (25%) of the Net Settlement Amount, estimated to be approximately $13,875, will fund the PAGA Employees' Settlement Proceeds. Each PAGA Employee's share will be based on the following formula: Each of the PAGA Employees will receive a pro rata share of the PAGA Employees' Settlement Proceeds based on the number of pay periods he or she worked during the PAGA Period as compared to the total pay periods of the entire PAGA Period. Specifically, a total value per pay period will be derived by dividing the PAGA Employees' Settlement Proceeds by the total number of pay periods that all the PAGA Employees worked within the PAGA Period, and each PAGA Employee will have their respective number of pay periods multiplied by the total value per pay period to derive their respective share of the PAGA Employees' Settlement Proceeds..

IV. RELEASE BY PLAINTIFF AND PAGA EMPLOYEES

29. As of the Effective Date, Plaintiff, and his respective representatives, agents, attorneys, heirs, administrators, successors, and assigns, and the PAGA Employees, release all claims for PAGA penalties arising out of or directly related to the allegations in the Action, including but not limited to the PAGA Released Claims, any individual PAGA claims, interest, attorneys' fees, costs, and all other PAGA claims and penalties alleged in the Action based on the allegations in the Complaint for the entirety of the PAGA Period ("Released Claims") and in particular the PAGA Employees have released their right to participate in or bring a claim under the PAGA for said claims or individual claims for the released Labor Code penalties. Plaintiff acknowledges that he may discover facts or law different from, or in addition to, facts or law that Plaintiff now knows or believes to be true, but nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. If the Court requests a copy of the settlement agreement settling Plaintiff's individual claims, the Parties shall provide it to the Court.

30. Each PAGA Employee will be deemed to have made the foregoing Release as if by manually signing it.

31. Plaintiff additionally hereby provides a full and complete release of all claims against Defendants and affiliated entities, known and unknown, suspected or unsuspected, including a waiver of the protections of California Civil Code §1542. California Civil Code § 1542 provides:

> 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.

V. SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURES

32. Plaintiff will file a motion and proposed order with the Court requesting the Court to approve this PAGA Settlement and Release Agreement, including the amounts to be paid to the LWDA, Plaintiff, the PAGA Employees, Plaintiff's Counsel for attorneys' fees and costs, and the Settlement Administrator.

33. At least seven (7) calendar days prior to filing the motion and proposed order with the Court, Plaintiff's Counsel will provide Defendants' Counsel with a draft of the motion and proposed order for Defendants' review and comment. In accordance with Labor Code §2699, Plaintiff's Counsel shall also submit the motion and proposed order and this Agreement to the LWDA on the same day it files the motion and proposed order with the Court.

34. Within fifteen (15) calendar days after the Effective Date, Defendants will provide the Settlement Administrator a list setting forth the names and last known addresses for each PAGA Employee in the PAGA Period.

35. Upon receiving the information described in Paragraph 34 from Defendants, the Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search on all former PAGA Employees to update his/her address, (ii) issuing the Notice and payments to the PAGA Employees, (iii) issuing

any required IRS forms, and (iv) issuing payments to the LWDA, Plaintiff's Counsel and Plaintiff, in accordance with the timeframe provided herein.

36. Within fifteen (15) calendar days after the Effective Date, Defendants shall transfer the Settlement Amount to the Settlement Administrator. Defendants shall wire transfer the Settlement Amount to the Settlement Administrator, who will deposit the funds into the bank account of the Qualified Settlement Fund established by the Settlement Administrator for purposes of this settlement. All amounts to be paid to the PAGA Employees, Plaintiff, Plaintiff's Counsel, the Settlement Administrator, and the LWDA shall be paid from this Qualified Settlement Fund.

37. Once the Settlement Administrator has received the entire Settlement Amount, it shall distribute the funds. After the Settlement Administrator deducts the amount of Plaintiff's Counsel's approved attorneys' fees and costs, Plaintiff's Incentive Award, and the Settlement Administrator's costs from the Settlement Amount, the remaining balance will constitute the Net Settlement Amount, which will be distributed as set forth herein.

38. Within fifteen (15) calendar days after receiving the final wire transfer from Defendants, the Settlement Administrator shall mail the settlement checks to the PAGA Employees and the LWDA, and will wire to Plaintiff's Counsel its approved attorneys' fees and costs as specified in this agreement and send Plaintiff his Incentive Award. The settlement checks mailed to the PAGA Employees will be accompanied with a Notice explaining the payment and deadline to cash the check, and this Notice will be in a format that the Parties shall agree upon in good faith.

39. The PAGA Employees shall have 120 calendar days after mailing to cash their settlement checks. If any PAGA Employee's check is not cashed within that period, the check will be void and a stop-payment will be issued. In such event, the PAGA Employee will be deemed to have waived irrevocably any right in or claim to his/her share, except that the PAGA Employee may seek to claim the funds from the DIR Unclaimed Property Fund, as noted below. The release nevertheless will be binding upon all PAGA Employees, including those who do not cash their checks within the 120-day period. Any funds remaining in the Settlement Administrator's Qualified Settlement Fund established for the purpose of the Settlement and Release Agreement as a result of a failure to timely cash a settlement check shall be paid to the DIR Unclaimed Property Fund in the name of the PAGA Employee who did not cash his/her check. Plaintiff, Defendants, Plaintiff's Counsel, Defendants' Counsel, and the Settlement Administrator will not have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks.

40. All Settlement payments to PAGA Employees will be treated as payments in settlement of non-wage (civil penalty) claims and, to the extent necessary, will be reported on IRS 1099 forms and corresponding state forms by the Settlement Administrator.

41. Plaintiff and the PAGA Employees will be solely responsible for correctly characterizing any compensation received under this settlement on their personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the settlement. Plaintiff, Defendants, Plaintiff's Counsel, Defendants' Counsel, and the Settlement Administrator make no representations or warranties with respect to tax consequences

of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such.

VI. MISCELLANEOUS PROVISIONS

42. **Voiding the Agreement:** If for any reason the Court does not finally approve this Agreement, the Parties shall first attempt in good faith to address the concerns of the Court, if possible, including by amending the terms this Agreement. If the Parties are unable to reach a mutually agreeable amendment to the Agreement or take other actions that will satisfy the Court, both this Agreement and the concurrent Confidential and Release Agreement of Plaintiff's individual claims from the same Action shall be considered void *ab initio* and shall be of no force and effect whatsoever and shall not be referred to or used for any purpose whatsoever.

43. **Confidentiality:** The Parties will keep the terms of settlement confidential through court approval of settlement, except as necessary to request approval by the court. Thereafter, the Parties will agree to make no comments to the media publicizing the terms of the settlement. In response to any media inquiries, Plaintiff will state that "the case was resolved with Court approval." Neither Plaintiff nor Plaintiff's counsel shall publicize the Settlement or Settlement amount through any social media legal or general newspaper or periodical. Nothing in this provision is intended to prohibit: (i) Plaintiff from discussing this settlement with his spouse or partner, attorneys, or tax advisors;; or (ii) Plaintiff's counsel from communicating with the Plaintiff in this case, discussions with PAGA Employees regarding the settlement, the LWDA, or with the court in which this action is pending.

44. **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.

45. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Agreement and to bind the Parties hereto to the terms and conditions hereof.

46. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other and the Settlement Administrator to accomplish the terms of this Agreement, including but not limited to executing such documents, providing such information, and taking such other action as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein.

47. **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 Agreement.

48. **No Admission:** Defendants' agreement to enter into this Agreement is not and shall not claimed to be, construed as, or deemed an admission by Defendants as to the truth or merit of the allegations in the Action or that they have any liability to Plaintiff or the PAGA Employees as a result of the allegations in the Action. Defendants deny that they have engaged in

any unlawful activity, have failed to comply with the law in any respect, or have any liability to anyone based on the allegations in the Action. Defendants have entered into this Agreement solely for the purpose of compromising highly disputed claims.

49. **Dismissal:** Within 30 days after the 120-day check cashing deadline, or as soon as is practicable after any compliance hearing set by the Court, Plaintiff shall request dismissal of the Action with prejudice.

50. **Binding Settlement:** This Agreement is a settlement document and shall, pursuant to California Evidence Code §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 the Agreement. To be clear, the Parties shall have the right to submit this Agreement in order to enforce the terms of this Agreement or for the Court's approval of this Agreement without regard to California Evidence Code §1152 and/or Federal Rule of Evidence 408 or other restriction from disclosure herein.

51. **Enforcement Actions:** Except as otherwise provided in this Agreement, in the event that a Party to the Agreement institutes any legal action or other proceeding against the other Party to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the prevailing Party shall be entitled to recover from the other Party its or his reasonable attorneys' fees and costs incurred in connection with any such action or proceeding. This Settlement and Release Agreement is enforceable pursuant to California Code of Civil Procedure §664.6.

52. **Notices:** 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 business day after mailing by United States registered or certified mail, return receipt requested, or on the second business day after emailing, the physical or email addresses below:

To Plaintiff:

John A. Lofton, Esq.
Aiman-Smith & Marcy, P.C.
7677 Oakport Street, Suite 1000
Oakland, CA 94621
Email: jal@asmlawyers.com

To Defendants:

Craig A. Horowitz, Esq.
Horowitz & Clayton, a Professional Corporation
300 Corporate Pointe, Suite 355
Culver City, CA 90230
Phone: (310) 442-1122
Email: hcattys@aol.com

53. **Construction:** The Parties hereto agree that the terms and conditions of this Agreement are the result of arm's length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or her or their or its counsel participated in the drafting of this Agreement.

54. **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 Agreement or any provision thereof. Each term of this Agreement is contractual and not merely a recital.

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

56. **Choice of Law:** This 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.

57. **Integration Clause:** Aside from the separate individual settlement agreement entered into separately between the Parties, this Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby with respect to the PAGA claims alleged by Plaintiff in the Action, 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.

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

59. **Counterparts:** This 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 Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

60. **Invalidity of Any Provision:** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

61. **Severability:** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

62. **Stay of Action:** Upon execution of this Settlement Agreement, Plaintiff shall file a Notice of Conditional Settlement with the Court, all pending motions shall be deemed withdrawn, and the trail date vacated.

63. **Prevailing Party:** Nothing in this Agreement, nor the existence of this Agreement, shall be interpreted to render Plaintiff the prevailing Party for any purpose, including, but not limited to, an award of attorneys' fees and costs, except as set forth in Paragraph 28(b) above. Except as set forth in Paragraph 28(b) and the right to recover fees under Paragraph 51, the Parties agree that each Party shall bear their own attorneys' fees and costs.

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THE SIGNATORIES HAVE CAREFULLY READ THIS ENTIRE AGREEMENT. ITS CONTENTS HAVE BEEN FULLY EXPLAINED TO THEM BY THEIR ATTORNEYS. THE SIGNATORIES FULLY UNDERSTAND THE FINAL AND BINDING EFFECT OF THIS AGREEMENT. THE ONLY PROMISES MADE TO ANY SIGNATORY ABOUT THIS AGREEMENT, AND TO SIGN THIS AGREEMENT, ARE CONTAINED IN THIS AGREEMENT. THE SIGNATORIES ARE SIGNING THE AGREEMENT VOLUNTARILY.

IN WITNESS WHEREOF, the Parties hereto have executed this PAGA Settlement Agreement and General Release.

DATED: June 30, 2026

By: Signed by: ____________________
Vincent Williams

DATED: June 30, 2026

By: Edward Irvy
Authorized Representative for Auto-Chlor System of Northern California, Inc. and Auto-Chlor System, LLC

APPROVED AS TO FORM:

DATED: June 30, 2026

AIMAN-SMITH & MARCY, P.C.

By: ____________________
John A. Lofton
Attorneys for Plaintiff

DATED: June __, 2026

HOROWITZ & CLAYTON, A PROFESSIONAL CORPORATION

By: Craig A. Horowitz
Craig A. Horowitz
Attorneys for Defendants

Exhibit C

Vince Williams v. Auto-Chlor Systems
Cost Detail

Date	Description	Cost
07/13/23	LWDA – filing fee for PAGA Notice	$75.00
09/01/23	One Hour Legal – filing fee re Summons and Complaint	518.45
09/07/23	One Hour Legal – service of process of Summons and Complaint on Auto-Chlor System of Northern California, Inc.	120.00
09/07/23	One Hour Legal – service of process of Summons and Complaint on Auto-Chlor System, LLC	57.50
09/20/23	One Hour Legal – filing fee re Proof of Service of Summons and Complaint	48.00
09/18/23	One Hour Legal – filing fee re First Amended Complaint	48.00
09/25/23	One Hour Legal – filing fee re Request for Dismissal of Eighth Cause of Action as to Failure to Provide Employment Records Only	68.00
10/19/23	One Hour Legal – filing fee re Notice of Posting Jury Fees	63.00
10/19/23	One Hour Legal – advance deposit toward jury fees	150.00
10/23/23	One Hour Legal – filing fee re Request for Dismissal as to First Cause of Action as to Whistleblower Retaliation Only	48.00
10/31/23	LexisNexis – October 2023 legal research	6.06
11/10/23	L.A. Superior Court – fee to download First Amended Complaint	13.80
11/30/23	LexisNexis – November 2023 legal research	43.94
12/26/23	One Hour Legal – filing fee re Opposition to Motion to Compel Further Discovery	48.00
12/31/23	LexisNexis – December 2023 legal research	123.90
01/09/24	L.A. Superior Court – fee to download Notice of Final Ruling	10.20
01/10/24	One Hour Legal – filing fee re CMC Statement	48.00
01/11/24	One Hour Legal – service of chamber’s copy of CMC Statement	74.95

02/23/24	One Hour Legal – filing fee re Motion to Compel Further Responses to Interrogatories	134.00
02/26/24	One Hour Legal – service of chamber's copy of Motion to Compel Further Responses to Interrogatories	98.80
03/20/24	One Hour Legal – filing fee re Reply to Motion to Compel Further Responses to Discovery Requests	39.95
03/26/24	One Hour Legal – filing fee re Motion for Leave to Amend to File Second Amended Complaint	250.00
03/31/24	LexisNexis – March 2024 legal research	84.39
04/18/24	One Hour Legal – filing fee re Reply to Motion for Leave to File Second Amended Complaint	168.35
05/03/24	One Hour Legal – filing fee re Second Amended Complaint	48.00
05/20/24	Oakport Café – lunch during client deposition	22.14
05/22/24	L.A. Superior Court – fee to download Motion for Preliminary Approval in Related Case (*Sanchez v. Auto-Chlor)*	14.20
05/31/24	LexisNexis – May 2024 legal research	79.63
06/30/24	LexisNexis – June 2024 legal research	43.89
07/03/24	One Hour Legal – filing fee re Notice of New Related Case	51.80
07/03/24	One Hour Legal – filing fee re Request for Judicial Notice	100.00
07/12/24	Carol Brennan & Associates – Vince Williams deposition transcript	452.70
07/15/24	One Hour Legal – filing fee re CMC Statement	71.80
09/16/24	One Hour Legal – filing fee re Motion to Compel Further Discovery Requests and for Sanctions	137.80
09/17/24	One Hour Legal – service of chamber's copy of Motion to Compel Further Discovery Requests and for Sanctions	114.70
09/17/24	One Hour Legal – filing fee re Declaration of Vince Williams re Motion to Compel Further Discovery Responses and for Sanctions	51.60
09/18/24	One Hour Legal – service of chamber's copy of Vince Williams re Motion to Compel Further Discovery Responses and for Sanctions	100.00

10/01/24	One Hour Legal – filing fee re Notice of Withdrawal of Motion to Compel	39.95
02/10/25	One Hour Legal – filing fee re Motion for Sanctions for Discovery Violations by Defendant	117.80
02/26/25	One Hour Legal – filing fee re Reply to Motion for Sanctions for Discovery Violations by Defendant	111.80
02/27/25	CourtCall – JAL telephonic appearance at 03/06/25 hearing on Sanctions for Discovery Violations by Defendant	72.00
02/28/25	LexisNexis – February 2025 legal research	189.74
03/04/25	Jan Brown & Associates – Reggie Lee deposition transcript	922.13
03/10/25	One Hour Legal – filing fee re Notice of Entry of Order re Motion for Sanctions for Discovery Violations by Defendant	51.80
03/31/25	LexisNexis – March 2025 legal research	18.36
04/08/25	One Hour Legal – filing fee re Notice of Change of Address	51.80
06/30/25	LexisNexis – June 2025 legal research	286.26
07/18/25	Jan Brown & Associates – Ivy Brown deposition transcript	1,185.01
07/25/25	One Hour Legal – filing fee re Opposition to Motion for Summary Judgment	91.80
07/28/25	One Hour Legal – service of chamber's copy of Opposition to Motion for Summary Judgment	100.00
07/31/25	One Hour Legal – filing fee re Opposition to Motion for Sanctions	51.80
07/31/25	One Hour Legal – filing fee re Redacted and Unredacted Evidence in support of Opposition to Motion re Sanctions	170.25
07/31/25	LexisNexis – July 2025 legal research	613.68
08/31/25	LexisNexis – August 2025 legal research	18.20
12/11/25	Jan Brown & Associates – Reggie Lee deposition transcript	922.13
12/11/25	Jan Brown & Associates – Edward Ivy deposition transcript	1,185.01
12/11/25	Signature Resolution – mediation fee for 01/12/20 mediation	9,750.00
01/31/26	LexisNexis – January 2026 legal research	79.46

02/18/26	One Hour Legal – filing fee re Motion to Compel Compliance with Court Order and for Sanctions	127.80
02/18/26	One Hour Legal – service of chamber's copy of Motion to Compel Compliance with Court Order and for Sanction	110.50
02/24/26	CPT Group – Belaire-West administration	1,443.04
03/05/26	One Hour Legal – filing fee re CMC Statement	61.80
03/05/26	One Hour Legal – service of chamber's copy of CMC Statement	100.00
03/10/26	One Hour Legal – filing fee re Opposition to Motion to Compel Compliance with Court Order and for Sanctions	101.80
03/11/26	One Hour Legal – service of chamber's copy of Opposition to Motion to Compel Compliance with Court Order and for Sanctions	100.00
03/31/26	LexisNexis – March 2026 legal research	92.19
04/02/26	One Hour Legal – filing fee re Notice of Entry of Order re Motion to Compel Production of Time Records and for Sanctions	61.80
05/31/26	LexisNexis – May 2026 legal research	26.19
6/11/2026	Signature Resolution – mediation fee for follow up work	1,800.00
8/6/26	CPT Group – Belaire-West administration, 2nd Mailing	262.25
	Postage Charges	17.54
	Copier Charges: 35 copies @ $0.25	8.75
	TOTAL:	$23,971.19

Exhibit D

CPT Group
Class Action Administrators

CASE NAME: WIP

Requesting Attorney:	John Lofton	**Date:**	June 24, 2026
Plaintiff or Defense:	Plaintiff	**Prepared By:**	Dominique Fite
Firm Name:	Aiman-Smith & Marcy		50 Corporate Park, Irvine CA 92606
Telephone:	(510) 779-2625		Dfite@CPTGroup.com
Email:	jal@asmlawyers.com	**Direct Number:**	(619) 613-1653
		Main Number:	(800) 542-0900

PROJECT ASSUMPTIONS & ADMINISTRATIVE COSTS

Number of Aggrieved Employees:	314	**Check Reminder Postcard:**	No
Language Translation Services:	No	**Unclaimed Funds:**	SCO
Settlement Website:	No	**Postage Total:**	$275.42
Payment Option:	Check	**Grand Total:**	$9,474.67
Undeliverable Check Rate:	10%	**CPT'S DISCOUNTED FEE:**	**$6,500.00**

The services and numbers reflected herein are estimates based on the information provided by counsel at the time of this Bid. If the actual services and numbers are different, our cost estimate will change accordingly. Client expressly acknowledges and agrees that estimated fees and costs may fluctuate and agrees to pay for any such increases to such estimates as if set forth herein.

The attached Terms and Conditions are included as part of and incorporated by reference to our cost proposal. By accepting our cost proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

After receiving the data, CPT will scrub all records to eliminate duplicates and anomalies; this process is designed to achieve a higher success percentage in delivering the distribution proceeds. Each aggrieved employee will receive a unique mailing ID that will be utilized for all administrative purposes. CPT will perform an address update via NCOA and, if necessary, conduct an additional skip trace in order to ensure that mail is delivered to the most current address possible.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	$95.00	3	$285.00
Project Manager: Format Documents	$95.00	1	$95.00
Programming: Data Base Setup	$150.00	3	$450.00
National Change of Address Search (NCOA)	$135.00	1	$135.00
XML Lex ID Skip Trace	$0.85	31	$26.35
		Sub Total:	**$991.35**

AGGRIEVED EMPLOYEE SUPPORT

CPT will establish a toll-free telephone number equipped with interactive voice response (IVR) capabilities and live customer support representatives. Live support will be available during regular business hours, Monday to Friday, 9:00 AM to 5:30 PM, Pacific Time (PT). The dedicated case phone number shall be operational for a maximum of 120 days following the disbursement.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Toll-Free Number Establish/Setup	$150.00	2	$300.00
Live Call Center Support Reps.	$3.00	63	$189.00
		Sub Total:	**$489.00**

SSN VERIFICATION

Authenticate Social Security Number for validity using IRS verification processes and/or IRS backup withholding processes.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	$150.00	1	$150.00
Department Manager: Analysis & Reporting	$95.00	3	$285.00
IRS SSN Verification	$0.10	314	$31.40
		Sub Total:	**$466.40**

DISTRIBUTION SERVICES

CPT will establish a 26 CFR § 1.468B-1 compliant Qualified Settlement Fund (QSF). Upon approval, CPT will perform the required payment calculations, and once approved by the parties, CPT will print a one-page notice and issue a (MICR) check to all eligible employees. CPT will also issue an IRS Form 1099 when applicable. CPT utilizes the bank's Payee Positive Pay to prevent check fraud and performs monthly account reconciliations for the QSF bank account. Undeliverable checks are skip-traced to obtain a current address and are remailed accordingly. Requests for check reissues will be processed throughout the check-cashing period. CPT's administration of the QSF will continue for a maximum duration of one year following the initial distribution of funds.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	$150.00	3	$450.00
Project Supervisor: Review of Distribution	$150.00	3	$450.00
Project Manager: Correspondence w/Parties	$95.00	2	$190.00
Programming: Setup & Printing of Checks	$150.00	3	$450.00
Obtain EIN, Setup QSF/Bank Account	$150.00	3	$450.00
Print & Mail Notice, Checks & 1099	$2.75	314	$863.50
First-Class Postage (up to 1 oz.)*	$0.74	314	$232.36
Project Supervisor: Account Reconciliation	$150.00	6	$900.00
Update Undeliverable Checks Database	$0.50	31	$15.70
Clerical Staff	$60.00	1	$60.00
Skip Trace for Best Address	$1.00	31	$31.40
Remail Undeliverable Checks	$3.00	29	$87.00
First-Class Postage (up to 1 oz.)	$0.74	29	$21.46
Re-Issue Checks as Required	$5.00	13	$65.00
First-Class Postage (up to 1 oz.)	$0.74	13	$9.62
		Sub Total:	**$4,276.04**

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

TAX REPORTING & SETTLEMENT CONCLUSION

CPT prepares annual tax reporting on behalf of the QSF and Federal taxes in accordance with current regulations. All parties will be furnished with weekly and final reports. A declaration attesting to due process will be provided to all parties.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Supervisor: Reconcile Uncashed Chk	$150.00	1	$150.00
Programming: Weekly & Final Reports	$150.00	2	$300.00
Project Supervisor: Final Declaration	$150.00	2	$300.00
Project Manager: Account Files Sent to Atty	$95.00	2	$190.00
Annual Tax Reporting to IRS*	$1,000.00	1	$1,000.00
QSF Annual Tax Reporting	$500.00	1	$500.00
		Sub Total:	**$2,440.00**

*CPT will file Federal taxes in accordance with current regulations.

SCO ESCHEATMENT PROCESSING

Escheatment Processing to the State Controller Unclaimed Property Division / Uncashed Check Rate 21%

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
UPEnterprise Reporting Services	$0.15	66	$9.90
Project Manager: Reporting & Remittance	$95.00	2	$190.00
Project Supervisor: Review of Report	$150.00	1	$150.00
Certified Mail Report to SCO	$11.98	1	$11.98
Add'l Account Recons	$150.00	3	$450.00
		Sub Total:	**$811.88**

Total Administration Costs:	**$9,474.67**
Courtesy Discount:	***-$2,974.67***
CPT'S DISCOUNTED FLAT FEE:	**$6,500.00**

TERMS AND CONDITIONS

These Terms and Conditions ("**Terms and Conditions**") are made a part of, and incorporated by reference into, any Bid presented by CPT Group, Inc. ("**CPT**") to Client. Each of Client and CPT is a "**Party**" to this Agreement, and collectively, the "**Parties**".

1. Definitions.
   a) "**Affiliate**" means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
   b) "**Agreement**" means these Terms and Conditions and the Bid.
   c) "**Applicable Laws**" means all applicable local, state and federal laws, ordinances, rules and regulations.
   d) "**Approved Bank**" means any financial institution that is insured by the Federal Deposit Insurance Corporation.
   e) "**Bid**" means a proposal, statement of work, order form, and/or schedule for Services (including any and all addendums, exhibits, or amendments thereto) provided by CPT to Client.
   f) "**Case**" means the case referred to in the attached Bid and/or the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the caption of the applicable Court Order.
   g) "**Class**" means Members and putative Members collectively.
   h) "**Client**" means the party or parties engaging CPT for Services as set forth in the Bid, namely Plaintiff Counsel and/or Defense Counsel.
   i) "**Confidential Information**" means any non-public information of CPT or Client disclosed by either Party to the other Party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other Party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing Party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
   j) "**Court Order**" means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more Parties To The Case to carry out a legal obligation pursuant to the Case.
   k) "**Defendant**" means the named Party and/or Parties in the Case against whom action is brought.
   l) "**Defense Counsel**" means the attorney(s) of record for the Defendant(s) in the Case.
   m) "**Intellectual Property Right**" means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
   n) "**Member**" means an individual who is eligible under the Case or Class to receive a communication about their pending legal rights under the matter and/or designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons or other parties in the representative action so designated or addressed therein.
   o) "**Member Content**" means all Member written document communications relating to the Case, including claim forms, opt-out forms, and/or objections, which may contain Member Data.
   p) "**Member Data**" means proprietary or personal data regarding Members under this Agreement.
   q) "**Parties To The Case**" shall mean collectively Defendant(s) and Plaintiff(s) as defined in the Settlement Agreement or Court Order.
   r) "**Plaintiff**" means the named party and/or parties in the Case who are bringing the action.
   s) "**Plaintiff Counsel**" means the attorney(s) of record for Plaintiff(s) in the Case, and/or upon certification by the Court the attorney(s) of record designated to represent the Class.
   t) "**Products**" means any and all CPT Services and work product resulting from Services.
   u) "**Qualified Settlement Fund**" or "**QSF**" means a bank account established pursuant to U.S. Department of Treasury Regulations §1468B-1.
   v) "**Service**" means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Members; (ii) setting up a QSF with an Approved Bank; (iii) management of disbursement of funds from the QSF to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
   w) "**Settlement Agreement**" means the contract between Parties To The Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Members.
   x) "**Settlement Amount**" means the total dollar amount agreed to between Parties To The Case to resolve the Case to mutual satisfaction.
   y) "**Software**" means any and all of CPT's software applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
   z) "**Transmission Methods**" means the secure authorized manner to send Member Data and/or Wire Information as specified on a schedule or exhibit hereto.
   aa) "**Term**" means the period commencing on the date set forth on the Bid and continuing until the date of final judgment (if a settlement) or upon completion of all Services as set forth in the Bid.
   bb) "**Wire Information**" means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. Client Obligations. Client will ensure that it has obtained all necessary consents and approvals for CPT to access and use Member Data for the purposes permitted under this Agreement and shall only transmit Member Data and/or Wire Information to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Member Data provided under this Agreement. Client further warrants that any Member Data, Wire Information, or other content, data, materials, or information it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disenabling codes which could adversely affect Member Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. CPT Obligations. CPT will (i) maintain appropriate safeguards designed to protect Member Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Member Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Parties To The Case, Members, Plaintiff Counsel or Defense Counsel as applicable.
4. Security. Client and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any Member Data in its possession or control under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such Member Data; (c) protect against unauthorized access to or use of such Member Data that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such Member Data in connection with its disposal.
   a) Incident Notification. In the event a Party discovers that Member Data relating to the Case is the subject of (i) any unauthorized acquisition, loss, access or use and/or (ii) an actual or suspected breach concerning such Party's systems (items (i) and/or (ii) a "**Security Incident**"), or a Party has a reasonable belief that a Security Incident has occurred or is at risk of occurring, such Party will promptly but no later than forty-eight (48) hours of its discovery of such circumstances, inform the other Parties in the event of such Security Incident, and shall utilize best efforts to assist the other Parties to mitigate the effects of such Security Incident.
   b) Response Procedures. In the event of a Security Incident, the breached party shall (i) cooperate with any reasonable investigation concerning the Security Incident by the other Parties, regulators and/or law enforcement; and (ii) cooperate with the other Parties to comply with Applicable Laws concerning such Security Incident, including any notification to affected individuals.

The Parties acknowledge that the breached party in any Security Incident shall be the Party responsible for any and all remedies and costs under Applicable Laws concerning such Security Incident, unless such breach occurred due to another Party's actions hereunder, in which instance such party shall be comparatively responsible for all remedies and costs. In no event will any Party serve notice or otherwise publicize a Security Incident without the prior written consent of the other Parties. The Parties shall reasonably cooperate and coordinate with each other to respond to the Security Incident, including with regard to the content of notification to affected individuals.

5. Qualified Settlement Fund Account. When the Case has a Settlement Amount, CPT shall be authorized to establish one or more QSF bank accounts at an Approved Bank if and as applicable to the Services as set forth in the Bid. The amounts held at the Approved Bank under this Agreement are at the sole risk of Defendant. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.

6. Fees and Payment. Pricing for Services is as stated on the Bid, and Client agrees to pay CPT in the amounts set forth on the Bid. Client will be invoiced per the schedule set forth in the Bid, and payment of fees will be due within 30 days after the date of the invoice, except where the Bid or terms of the Settlement Agreement or Court Order expressly prescribes other payment dates. All fees set forth in a Bid are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% per month (or the highest rate allowable by law, whichever is lower) on the outstanding balance from the date due until the date of actual payment, which such late charge(s) may be charged against the QSF account if incurred in connection with Services provided pursuant to administration of a settlement. In addition, Services are subject to suspension for failure to timely remit payment. If travel is required to affect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation. In connection with CPT's administration of a QSF, unless otherwise stated in the Settlement Agreement or Court Order concerning disbursement of unclaimed funds in the QSF account, CPT reserves the right, after one (1) year of issuance of disbursements to Members, to classify any remaining balance in such QSF account as additional administrative fees payable to CPT until such time as the QSF account balance becomes zero ($0.00), and thereafter close such account. Client is aware that CPT may receive certain financial benefits from financial institutions, including discounts on certain banking services, for services that ensure eligibility for FDIC deposit insurance, or in connection with the establishment of QSF accounts. At any given time, CPT may maintain multiple QSF account balances at an institution, which may result in benefits that would not normally be available to a customer who maintains an individual QSF account. Such benefits may be used to (a) eliminate or reduce certain bank service fees that would normally be charged to the QSF account until its closure, (b) reduce CPT's administration fees and/or (c) may be retained by CPT as additional compensation.

7. Term and Termination.

   a) Term. The Term is set forth in the Bid. The Agreement may be renewed by mutual written agreement of the parties.

   b) Termination for Cause. Either Party may immediately terminate this Agreement if the other Party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching Party's receipt of written notice describing the breach in reasonable detail.

   c) Bankruptcy Events. A Party may immediately terminate this Agreement if the other Party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.

   d) Effect of Termination. Immediately following termination of this Agreement, upon written request, Member Data may be retrieved via the secure FTP site in the same format in which the Member Data was originally inputted into the Software, at no additional charge. Alternatively, Member Data can be returned in a mutually agreed format at a scope and price to be agreed upon. CPT will maintain a copy of Member Data and Member Content for no more than four (4) years following the date of the final check cashing deadline for Members under the Settlement Agreement, after which time any Member Data and Member Content not retrieved will be destroyed.

   e) Final Payment. If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.

8. Confidentiality. Each Party agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such Party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such Party uses to protect its own confidential information; provided, however, that such Party shall use at least reasonable care. These obligations shall survive termination of this Agreement.

   a) Compelled Disclosure. If receiving Party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such Party shall (i) promptly notify the other Party, (ii) reasonably cooperate with the other Party in such Party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each Party is advised by its counsel in writing is legally required to be disclosed.

   b) Remedies. If either Party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other Party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.

9. Intellectual Property. CPT retains all rights, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. CPT does not claim any ownership rights to Member Data.

10. Indemnification. Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, "**Covered CPT Parties**") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "**Damages**") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Member Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.

11. Warranties. Each Party represents and warrants to the other Party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such Party; (iii) the Agreement is a legally valid and binding obligation of such Party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE

12. Liability.

   a) Liability Cap. EXCEPT FOR A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL FEES PAID OR PAYABLE BY CLIENT AND/OR THE PARTIES TO THE CASE TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.

b) Exclusion of Consequential Damages. NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13. Communications. CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

14. Miscellaneous Provisions.

a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.

b) Force Majeure. Neither Party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such Party's reasonable control, provided that the delayed Party: (i) gives the other Party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.

c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.

d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the Parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.

e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by the Parties.

f) Assignment. Neither Party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other Party's prior written consent; provided, however, either Party, without the consent of the other Party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such Party, where the responsibilities or obligations of the other Party are not increased by such assignment and the rights and remedies available to the other Party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.

g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the Parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.

h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("**Statistical Data**") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.

i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such Applicable Laws, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.

j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.

k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other Party as set forth on the Bid or at such other address as may hereafter be furnished in writing by either Party hereto to the other Party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery, the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.

l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each Party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither Party may make any statement that would contradict anything in this section.

m) Subcontractors. CPT may use subcontractors to perform Client-specific Services; provided, however, that CPT shall be responsible for its subcontractors' performance of Services under this Agreement.

n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.

o) Waiver. No failure or delay on the part of either Party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.

p) Acceptance. If, when requested in writing by Client, CPT then provides any Service to Client, whether or not such Services were specified in the original Bid, these Terms and Conditions shall apply to the provision of such Services and be deemed accepted and approved by Client concerning such Services.

q) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.