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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

MARCO HURTADO, individually, and on behalf of all other aggrieved employees,

PLAINTIFFS,

v.

FXI, INC, a Delaware corporation; EMPLOYER'S OUTSOURCING, LLC, a California limited liability company; ARMADA STAFFING, a California corporation; and DOES 1 through 50, inclusive,

DEFENDANTS.

CASE NO.: CIVSB2322142

[Assigned for All Purposes to the Honorable Joseph B. Widman Dept. S-36]

STIPULATION FOR SETTLEMENT AND RELEASE UNDER THE PRIVATE ATTORNEYS GENERAL ACT, CALIFORNIA LABOR CODE § 2698, ET SEQ.

Dated Filed: September 13, 2023
Trial Date: Not Set

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This Stipulation for Settlement and Release ("Agreement" or "Settlement") under the Private Attorneys General Act, California Labor Code section 2698 et seq. ("PAGA"), is made by and between Marco Hurtado ("Plaintiff"), individually and as representative on behalf of allegedly Aggrieved Employees as further defined herein and the State of California and Defendants FXI, Inc. ("FXI"), Armada Staffing ("Armada"), and Employer's Outsourcing, LLC ("Employer's Outsourcing") (herein collectively referred to as "Defendants"). Plaintiff and Defendants are collectively referred to herein as the "Parties" and may be individually referred to as a "Party."

A. PROCEDURAL BACKGROUND

1. This Settlement is made and entered into by and between Plaintiff and Defendants, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendants. Defendants deny that they are liable to Plaintiff or the Aggrieved Employees and deny they have violated any law.

2. On July 5, 2023, Plaintiff filed a notice with the Labor & Workforce Development Agency ("LWDA") alleging that Defendants violated Labor Code Sections 201, 202, 203, 204, 226, 226.7, 248.1, 248.2, 248.6, 248.7, 510, 512, 1174, 1174.5, 1194, 1197, 2100, 2101, 2102, 2103, 2104, 2015, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2802, 2810.5, and IWC Wage Order Nos. 1-2001, 7-2001, and Sections 3, 4, 6, 10, 11, 12, 14, 15, 18 and 20 ("PAGA Notice").

3. On September 13, 2023, Plaintiff filed his PAGA Complaint in San Bernardino Superior Court, Case No: CIVSB2322142 (hereinafter the "Action"), seeking civil penalties only, predicated on Defendants' alleged failure to provide meal, rest periods, failure to pay overtime wages, minimum and straight time wages, failure to pay timely wages, failure to all wages due to discharged and quitting employees, failure to provide itemized wage statements, failure to maintain required records, failure to pay COVID-19 Supplemental Sick Leave, failure to reimburse employees for necessary expenditures incurred in the discharge of duties, failure to provide aggrieved employees with written description of quotas, and failure to maintain required

records regarding wage theft.

4. The Parties attended mediation on June 11, 2026, with the highly experienced mediator Michael Mandel, Esq. The Parties reached this PAGA Settlement of the Action at the end of the mediation subject to Court approval. As part of the settlement, Defendants also agree to dismiss the pending appeal of the Court's order denying Defendants' Motion to Compel Arbitration, before the Court of Appeal, State of California, Fourth District, Case Number: E087674.

5. The Parties recognize the risk, expense, and delay in continuing the Action, and therefore believe the Settlement to be fair, reasonable, and adequate. Accordingly, the Parties desire to settle, compromise, and discharge all disputes and claims arising from or relating to the Action.

B. DEFINITIONS

1. "Action" means *Marco Hurtado v. FXI, Inc. et al.*, filed on September 13, 2023, in the Superior Court of California, County of San Bernardino, Case No. CIVSB2322142.

2. "Affected Pay Periods" means the estimated 1,000 pay period worked by Aggrieved Employees in California during the PAGA Period.

3. "Aggrieved Employees" means all non-exempt, hourly employees who were hired by Armada Staffing and placed to work at FXI, Inc.'s facilities and worked at any time in the State of California, from July 5, 2022, through August 11, 2026.

4. "Agreement" or "Settlement" means this Stipulation for Settlement and Release.

5. "Appeal" means Defendants' appeal of the trial court's order denying Defendants' Motion to Compel Arbitration, Court of Appeal, State of California, Fourth District, Case Number: E087674 ("Appeal").

6. "Attorneys' Fees and Costs" means the amount that the Court approves to be paid from the Gross Settlement Amount to Plaintiff's Counsel as an award for fees and actual costs.

7. "Complaint" means the operative Representative Action Complaint for Violation of Labor Code Section 2698 et. seq. pursuant to the Private Attorneys General Act ("PAGA") in this Action, filed on September 13, 2023.

8. "Court" means Superior Court of the State of California, for the County of San Bernardino.

9. "Defendants" means FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC.

10. "Effective Date" means, after the Order and Judgment has been entered by the Court in this Action, the latter of the following dates: (a) if an appeal, review, or writ is not sought from the Order and Judgment, the 61st day after service of notice of entry of the Order and Judgment (unless the 61st day falls on a weekend or holiday, in which case it will be the first business day thereafter); or (b) if an appeal, writ, or review is sought from the Order and Judgment, the day after the Order and Judgment is affirmed or the appeal, review, or writ is dismissed or denied, and the Order and Judgment is no longer subject to further judicial review.

11. "Enhancement Payment" means the amount that the Court authorizes to be paid to the named Plaintiff, separate from his Individual Settlement Payment, in recognition of his efforts and risks in assisting with the prosecution of the Action. Subject to the Court granting approval of the Settlement, the Parties agree that the named Plaintiff shall be paid up to Six Thousand Dollars and Zero Cents ($6,000.00) as an Enhancement Payment. The Enhancement Payment will be paid from the Gross Settlement Amount. It is understood by Plaintiff that the Court has final discretion as to the approval and payment of any Enhancement Payment.

12. "Gross Settlement Amount" means the gross amount of Ninety Thousand Dollars and Zero Cents ($90,000.00) to be paid by Defendants as provided by this Agreement to fully and finally settle, resolve, and conclude this Action as to Released Parties, as providing under this Agreement, without any admission of fault or liability. The Gross Settlement Amount includes all Individual Settlement Payments to Aggrieved Employees, payment to the LWDA, Settlement Administration Costs, Attorneys' Fees and Costs, and the Enhancement Payment to Plaintiff.

13. "Individual Settlement Payment" means the amount payable from the Net Settlement Fund to each Aggrieved Employee.

14. "Net PAGA Payment" means the twenty-five percent (25%) portion of the Net

Settlement Fund that will be paid to all Aggrieved Employees.

15. "Net Settlement Fund" means the balance of the Gross Settlement Amount remaining after deduction of the approved Enhancement Payment to Plaintiff, Attorneys' Fees and Costs, and Settlement Administration Costs.

16. "Order and Judgment" means the Court's Order granting approval of the PAGA Settlement and entering Judgment, in the form substantially similar to that attached to this Agreement as **Exhibit A**.

17. "PAGA Packet" means the PAGA Settlement Notice and Individual PAGA Payment that the Settlement Administrator will mail to each Aggrieved Employee, via first-class United States Mail.

18. "PAGA Period" means the period of July 5, 2022, through August 11, 2026.

19. "PAGA Released Claims" shall mean: all claims for civil penalties released by Plaintiff during the PAGA Period that were, or reasonably could have been, alleged based on the facts contained in the operative Complaint or in Plaintiff's pre-filing letter to the LWDA dated July 5, 2023, to the fullest extent of the law, including claims for violations of Labor Code Sections 201, 202, 203, 204, 226, 226.7, 248.1, 248.2, 248.6, 248.7, 510, 512, 1174, 1174.5, 1194, 1197, 2100, 2101, 2102, 2103, 2104, 2015, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2802, 2810.5, and IWC Wage Order Nos. 1-2001, 7-2001, and Sections 3, 4, 6, 10, 11, 12, 14, 15, 18 and 20. Plaintiff does not release any other aggrieved employee's claim for wages or damages that is not permitted by law.

20. "Parties" means Plaintiff and Defendants, together.

21. "Plaintiff" means Marco Hurtado.

22. "Plaintiff's Counsel" means Scott Ernest Wheeler, Justin A. Wheeler and Omar Ibarra of The Wheeler Law Firm, APC.

23. "Released Parties" means FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC, and any parents, subsidiaries, or affiliated entities thereof, and any employees, agents, officers, directors, attorneys, insurers, predecessors, successors, or assigns of FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC and any of their parents,

subsidiaries, or affiliated entities, only.

24. "Settlement Administration Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required for completion of the Settlement and by this Agreement, which are estimated at $5,000. Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the Net Settlement Fund.

25. "Settlement Administrator" means Apex Class Action Settlement Administrators.

C. PAYMENT OF CONSIDERATION

1. Settlement Consideration. Defendants shall pay the Gross Settlement Amount as specified in this Agreement, which shall be used to pay: (1) Attorneys' Fees and Costs; (2) Enhancement Payment; (3) Settlement Administration Costs; and (4) payment to the LWDA. The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendants. Payment shall be made to the Settlement Administrator for disbursement in accordance with this Agreement and the Order and Judgment approving the PAGA Settlement. Except as set forth in paragraph D.6 herein, under no circumstances shall Defendants be responsible under this Settlement for payment of more than the Gross Settlement Amount.

2. Pay Periods. The Gross Settlement Amount was calculated with, and is premised on, Aggrieved Employees working the Affected Pay Periods.

3. Funding of the Gross Settlement Amount. In exchange for the releases, obligations, and promises set forth in this Agreement (and subject to the terms and conditions contained in this Agreement), Defendants are responsible for paying the entire Gross Settlement Amount upon the latter of Court approval of the Private Attorneys General Act ("PAGA") Settlement within thirty (30) days of the Effective Date. Armada Staffing and FXI will each contribute $32,500 towards the settlement. Employer's Outsourcing will contribute $25,000 towards the settlement. Defendants shall fund the full amount of the Gross Settlement Amount by wire or payment instructions and a completed Form W-9 from the Settlement Administrator, Defendants shall fully fund the Gross Settlement Amount by transmitting the Gross Settlement

Amount to the Settlement Administrator by wire or as otherwise instructed by the Settlement Administrator. Any interest that is earned on the Gross Settlement Amount shall be allocated to the Net Settlement Fund. The Parties agree to cooperate with the Settlement Administrator and one another to the extent reasonably necessary to carry out the provisions of this Section.

4. Allocation of the Net Settlement Fund. The Net Settlement Fund shall be used to satisfy Individual Settlement Payments to Aggrieved Employees and payment to the LWDA in accordance with the terms of this Agreement. The Net Settlement Fund is the maximum amount that will be available for distribution to the LWDA and Aggrieved Employees in full satisfaction of all Released Claims. Pursuant to PAGA, seventy-five percent (75%) of the Net Settlement Fund will be paid to the LWDA, and the remaining twenty-five percent (25%), will be paid to all Aggrieved Employees as the Net PAGA Payment.

5. Calculation of Individual Settlement Payment. The Settlement Administrator shall calculate the Individual Settlement Payments by dividing the Net PAGA Payment by the total number of Affected Pay Periods. That value will then be multiplied by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. Aggrieved Employees are entitled to 100% of the Net PAGA Payment.

6. Tax Treatment of Individual Settlement Payment. All Individual Settlement Payments shall be allocated 100% as penalties. The amount of payments shall be reported on an IRS Form 1099 (to the extent required by law) by the Settlement Administrator and shall not be subject to local, state or federal tax withholdings.

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

8. Enhancement Payment. Defendants agree not to oppose or impede any

application or motion by Plaintiff for an Enhancement Payment of up to Six Thousand Dollars and Zero Cents ($6,000) to the named Plaintiff. The Enhancement Payment shall be paid from the Gross Settlement Amount, and shall be paid in addition to Plaintiff's Individual Settlement Payment as a Aggrieved Employee. It is understood by Plaintiff that the Court has final discretion in any Enhancement Payment. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff reflecting the Enhancement Payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on his Enhancement Payment and shall hold harmless Defendants from any claim or liability for taxes, penalties, or interest arising as a result of the Enhancement Payment. Any portion of the Enhancement Payment not awarded to Plaintiff shall be added to the Net Settlement Fund and shall be distributed to Aggrieved Employees as provided in this Agreement.

9. Attorneys' Fees and Costs. In full satisfaction of all claims Plaintiff may have for attorneys' fees, litigation costs, and expenses arising out of the Action, Defendants agree that Plaintiff's Counsel may apply to the Court for an amount of Attorneys' Fees and Costs fees not to exceed Twenty-nine Thousand, Nine Hundred and Seventy Dollars and Zero Cents ($29,970.00) for fees and will request actual costs, up to a maximum of Eighteen Thousand Dollars and Zero Cents ($18,000), pursuant to PAGA, which provides for the recovery of attorneys' fees and costs, which shall be paid from the Gross Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel reflecting the awarded attorneys' fees, costs, and expenses. The Parties understand that the Court makes the final determination on the award of Attorneys' Fees and Costs, and that any portion of these amounts not awarded as Attorneys' Fees and Costs shall be added to the Net Settlement Fund and distributed to Aggrieved Employees and LWDA as provided in this Agreement.

10. Settlement Administration Costs. The Settlement Administrator shall be paid for the reasonable costs of administration of the Settlement from the Gross Settlement Amount, currently estimated at $3,000. These costs, which shall be paid from the Gross Settlement Amount, shall include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuance of Form 1099 IRS forms, and providing necessary reports and

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declarations. Any portion of the Settlement Administration Costs not allowed shall be added to the Net Settlement Fund and shall be distributed to Aggrieved Employees and the LWDA as provided in this Agreement.

D. ADMINISTRATION OF SETTLEMENT

1. Approval of PAGA Settlement. Plaintiff's Counsel shall request the entry of an order and judgment granting approval of the Settlement pursuant to the terms of this Stipulation for Settlement and Release, which shall include findings and orders: (i) approving the Settlement, (ii) adjudging the terms to be fair, reasonable, and adequate and binding on the State of California, (iii) reciting the release terms, (iv) directing that the Settlement's terms and provisions be carried out; (v) entering final judgment in accordance with this Agreement and without further fees or costs to any party except as expressly set forth in this Agreement; and (vi) retaining jurisdiction to oversee administration and enforcement of the terms of this Agreement and the Court's orders. Plaintiff's motion shall be unopposed by Defendants, unless Plaintiff's approval motion seeks relief inconsistent with or not specified by this Agreement. In such event, Defendants reserve the right to address any assertions that are not consistent with this Agreement.

2. Settlement Administration. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement. The Settlement Administrator shall provide the following services:

a. Calculate the Individual Settlement Payment to be paid to each Aggrieved Employee in accordance with the terms and provisions of this Agreement;

b. Print and issue Individual Settlement Payment checks;

c. Verify the last known address for each Aggrieved Employee through a generally utilized, national address update database prior to mailing the Individual Settlement Payment check;

d. Disburse any awards of costs and attorneys' fees;

e. Prepare and issue 1099 Forms; and

f. Perform such other tasks necessary to effectuate the terms of this Agreement or as the Parties mutually agree or the Court orders the Parties to perform.

3. Delivery of the Aggrieved Employee List and Data. Within twenty (20) calendar days after the Effective Date, Defendants shall provide the Settlement Administrator with a Microsoft Office Excel spreadsheet that includes each Aggrieved Employees full name; employee number; most recent mailing address; social security number; and payroll information sufficient to identify the total number of Affected Pay Periods worked by the employee during the PAGA Period. All information provided by Defendants to the Settlement Administrator shall remain confidential and will not be disclosed to any person except as reasonably necessary for the Settlement Administrator to carry out its duties, or pursuant to Defendants' express written authorization or by order of the Court in the Action.

4. Timing of Distribution. Within twenty (20) calendar days after the payment of the entire Gross Settlement Amount, the Settlement Administrator shall initiate payments to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Plaintiff's Counsel. The Settlement Administrator will issue the appropriate tax forms for all payments issued under this Settlement.

5. Mailing of Individual Settlement Payments to Aggrieved Employees:

a. When making payments to the Aggrieved Employees as provided for in this Agreement, the Settlement Administrator will mail to each Aggrieved Employee, via first-class United States Mail, a PAGA Packet consisting of the following: (a) the PAGA Settlement Notice in English and Spanish, attached as **Exhibit B**; and (b) their Individual PAGA Payment.

b. Prior to mailing, the Settlement Administrator will update all addresses using the National Change of Address System (NCOA). In the event that a PAGA Packet is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator will re-send the PAGA Packet to the forwarding address identified. If no forwarding address is provided, then the Settlement Administrator will promptly conduct a "standard search," sometimes called, "Skip Trace" or "Credit Header" searches, to locate a better address. If a better

address is found, the Settlement Administrator will promptly re-send the PAGA Packet. If a better address is not found or the PAGA Packet is ultimately returned without a forwarding address, neither the Settlement Administrator, Defendants, Defense Counsel, Plaintiff's Counsel or named Plaintiff shall be required to take further action.

c. Aggrieved Employees shall have 180 calendar days after the date the PAGA Packet is mailed to them to cash their settlement payment checks. If any Aggrieved Employee's check is not cashed within that period, the settlement payment check will be voided and a stop-payment will be issued. Neither Defendants, Defendants' counsel, Plaintiff, nor Plaintiff's Counsel will have any liability for lost or stolen settlement payment checks, forged signatures on settlement payment checks, unauthorized negotiation of settlement payment checks or failure to timely cash a settlement payment check within the 180-day period.

d. Any unpaid cash residue or unclaimed Aggrieved Employee funds, plus any accrued interest that has not otherwise been distributed pursuant to order of the Court, shall be delivered to the State of California LWDA consistent with the purposes of PAGA.

6. Additional PAGA Pay Periods.

a. It is currently estimated that Aggrieved Employees worked 1,000 Affected Pay Periods. If more than 1,100 (10%) Affected Pay Periods are identified at the close of the PAGA Period (July 5, 2022 through August 11, 2026), then Defendants shall either (a) increase the amount of the Settlement Sum by the same percentage above 1,100 that the total Affected Pay Periods amounts to; or (b) reduce the PAGA Period so that the total number of Affected Pay Periods worked during the PAGA Period does not exceed 1,100.

7. Notice to LWDA.

a. Plaintiff's Counsel shall be responsible for submitting the final executed Agreement and moving papers in support of Court approval to the LWDA upon filing with the Court pursuant to Labor Code section 2699, but in no event less than three (3) days after this Stipulation for Settlement and Release, and the application or motion thereon is filed. (Plaintiff represents that he has submitted a file-stamped copy of the Complaint to the LWDA pursuant to Labor Code section 2699(l)(1).

b. Plaintiff shall further be responsible for submitting a copy of any order or judgment providing for or denying an award of civil penalties under PAGA, including any order and judgment approving this Settlement, to the LWDA within ten (10) days after entry of the judgment or order pursuant to Labor Code section 2699.

E. RELEASE OF CLAIMS

1. Release of Claims by Plaintiff on behalf of the State of California. Upon the Effective Date, Plaintiff on behalf of the State of California, hereby does and shall be deemed to have fully and finally released and discharged the Released Parties from all PAGA Released Claims.

a. Upon the Effective Date, Defendants also agree to dismiss the Appeal based upon the Settlement.

2. No Right to Opt-Out. The Parties agree there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the Settlement.

3. General Release and Waiver of Claims by Plaintiff. Plaintiff (on behalf of himself and his spouse, heirs, executors, administrators, trustees, and/or permitted assigns) also agrees to a general release of any and all claims against the Released Parties—which shall include without limitation any and all claims which in any way relate to his employment with Defendants or cessation thereof, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA, ADEA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof.

4. Waiver of Civil Code section 1542. Plaintiff (including expressly the Aggrieved Employees with respect to the PAGA Released Claims only) expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which 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."

Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and complete release and discharge of all of the claims released herein, Plaintiff (including the Aggrieved Employees with respect to the PAGA Released Claims only) expressly acknowledges that this Settlement is intended to include in its effect, without limitation, all claims released herein which Plaintiff does not know or suspects to exist in his favor at the time of execution hereof, and that the Settlement contemplates the extinguishment of all such claims. Neither Plaintiff nor the Aggrieved Employees are releasing their respective claims or vested rights to any Employee Stock Option Plan ("ESOP") or similar plan as a result of employment with Defendants.

5. No Additional Attorneys' Fees or Costs. The Parties agree to bear their own attorneys' fees and costs related to this Action and the Appeal except as specifically provided in this Agreement.

F. MISCELLANEOUS

1. Tax Liability. Defendants, Defense Counsel, the Settlement Administrator, and Plaintiff's Counsel make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Aggrieved Employees are not relying on any statement, representation, or calculation by Defendants, Defense Counsel, Plaintiff's Counsel, or by the Settlement Administrator in this regard. Plaintiff and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on their respective payments described herein and will defend, indemnify, and hold Defendants, Defense Counsel, Plaintiff's Counsel and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages.

2. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER

PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

3. Confidentiality. Plaintiff represents and agrees that he has not and will not disclose or publish the existence of this Agreement through the news media, social media, websites, litigation reporting service or through any other means, except as reasonably necessary to obtain Court approval and administer the terms of the Settlement, or to enforce this Agreement. Plaintiff's counsel can use the existence of this matter and the Settlement for adequacy of counsel declarations in future actions.

4. No Prior Assignments. The Parties and their counsel 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 right herein released and discharged. None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Plaintiff's Counsel, or Defense Counsel without the express written consent of each Party. Plaintiff expressly warrants that Plaintiff has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

5. Nullification of Settlement Agreement. In the event that the Court does not approve the Settlement as provided herein, the Parties agree to meet and confer to address any concerns the Court raises and determine whether resolution of the claims encompassed by the Settlement can be obtained in a manner consistent with the Court's concerns. The Parties agree to return to mediator, Mr. Michael Mandel, Esq. to assist in that process. If the Court does not grant approval of the Settlement, and the Parties are not able to address any concerns the Court raises after meeting and conferring, then the Settlement will be null and void and the Parties will be returned to their original respective positions. However, a modification of amounts awarded to named Plaintiff as an Enhancement Payment or to Plaintiff's counsel as attorney's fees and litigation costs and expenses shall not be deemed a material modification of the Settlement.

6. Continued Jurisdiction. After entry of the judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Court Approval matters as may be appropriate under court rules or as set forth in this Settlement.

7. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

8. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

9. Cooperation. The Parties agree to cooperate jointly and to take all appropriate

action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

10. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto.

11. California Law Governs. All terms of this Settlement Agreement will be governed by and interpreted according to the laws of the State of California.

12. Execution and Counterparts. This Agreement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

13. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations. The Parties further acknowledge that they are each represented by competent counsel of their choosing and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

14. Invalidity of Any Provision. Before declaring any provision of this 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 Agreement valid and enforceable. If any immaterial provision of this Agreement is or becomes invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions contained herein shall not be affected. Notwithstanding the foregoing, the releases contained herein shall not be deemed severed or deleted from this Agreement except upon waiver in writing

by Defendant.

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

16. Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

17. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

18. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

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

20. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

21. Denial of Liability. The Parties expressly recognize that the making of this Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith, including, without limitation, by Defendants should any party seek relief against any of the Released Parties on any claims released herein.

22. Discovery of Documents and Information. Plaintiff and Plaintiff's Counsel agree that they will destroy all documents and information provided to them by Defendants during this Lawsuit within sixty (60) calendar days after the completion of the administration of the Settlement. Plaintiff's Counsel agree that none of the documents and information provided to them by Defendants shall be used for any purpose other than Settlement of the Lawsuit.

IN WITNESS WHEREOF, the undersigned Parties and their duly authorized representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

[SIGNATURES ON FOLLOWING PAGE]

Docusign Envelope ID: 0AE98A2A-47F8-8044-81D8-F00947373AE6

DATE: 9/9/2026

DocuSigned by:
Marco Hurtado
2EFD36973B024F5...

By: _____
Marco Hurtado

FXI, INC.

DATE:

By: _____
[PRINT NAME]

Defendant

EMPLOYER'S OUTSOURCING, LLC

DATE: 24/09/2026

Daniel Hernandez

By: _____
[PRINT NAME] Daniel Hernandez, COO

Defendant

ARMADA STAFFING

DATE:

By: _____
Mario Zapata, _____

Defendant

DATE: 9/9/2026

DocuSigned by:
Marco Hurtado
2EFD36973B024F5...

By: _____
Marco Hurtado

FXI, INC.

DATE:

By: _____
[PRINT NAME]

Defendant

EMPLOYER'S OUTSOURCING, LLC

DATE:

By: _____
[PRINT NAME]

Defendant

ARMADA STAFFING

DATE: 10/13/2026

By: Mario Zapata
Mario Zapata, _____

Defendant

DATE:

By: _____
Marco Hurtado

FXI, INC.

DATE: 9/17/26

By: _____
[PRINT NAME]

Defendant Andrew R. Prusky Senior Vice President, General Counsel

EMPLOYER'S OUTSOURCING, LLC

DATE:

By: _____
[PRINT NAME]

Defendant

ARMADA STAFFING

DATE:

By: _____
Mario Zapata, _____

Defendant

Docusign Envelope ID: 0AE98A2A-47F8-8044-81D8-F00947373AE6

APPROVED AS TO FORM ONLY:

DATE: September 9, 2026

THE WHEELER LAW FIRM, APC

Scott Ernest Wheeler
Justin A. Wheeler
Omar Ibarra

Attorneys for Plaintiff and the other Aggrieved Employees

DATE:

MORGAN, LEWIS & BOCKIUS LLP

Daryl S. Landy
Alexander L. Grodan

Attorneys for Defendant FXI, INC.

DATE:

KOREY LAW, LLP

Ronald Z. Gomez
Victor Russame

Attorneys for Defendant, EMPLOYER'S OUTSOURCING, LLC

DATE:

SOLEIMAN, APC

Bradley Beherns
Matthew Soleimanpour

Attorneys for Defendant, ARMADA STAFFING

APPROVED AS TO FORM ONLY:

DATE:

THE WHEELER LAW FIRM, APC

Scott Ernest Wheeler
Justin A. Wheeler
Omar Ibarra

Attorneys for Plaintiff and the other Aggrieved Employees

DATE: 9/23/26

MORGAN, LEWIS & BOCKIUS LLP

Daryl S. Landy
Alexander L. Grodan

Attorneys for Defendant FXI, INC.

DATE:

KOREY LAW, LLP

Ronald Z. Gomez
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Matthew Soleimanpour

Attorneys for Defendant, ARMADA STAFFING

APPROVED AS TO FORM ONLY:

DATE: September 9, 2026

THE WHEELER LAW FIRM, APC



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Justin A. Wheeler
Omar Ibarra

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DATE:

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Alexander L. Grodan

Attorneys for Defendant FXI, INC.

DATE:

KOREY LAW, LLP

Ronald Z. Gomez
Victor Russame

Attorneys for Defendant, EMPLOYER'S OUTSOURCING, LLC

DATE: 10/13/26

SOLEIMAN, APC



Bradley Beherns
Matthew Soleimanpour

Attorneys for Defendant, ARMADA STAFFING

EXHIBIT A

THE WHEELER LAW FIRM, APC
Scott Ernest Wheeler (SBN 187998)
Justin A. Wheeler (SBN 342226)
250 West First Street, Suite 216
Claremont, California 91711
Telephone: (909) 621-4988
Facsimile: (909) 621-4622
Email: sew@scottwheelerlawoffice.com
jaw@scottwheelerlawoffice.com

Attorneys for Plaintiff and the other Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

MARCO HURTADO, individually, and on behalf of all other aggrieved employees,

PLAINTIFFS,

v.

FXI, INC, a Delaware corporation; EMPLOYER'S OUTSOURCING, LLC, a California limited liability company; ARMADA STAFFING, a California corporation; and DOES 1 through 50, inclusive,

DEFENDANTS.

Case No.: CIVSB2322142

[PROPOSED] ORDER AND JUDGMENT APPROVING PAGA SETTLEMENT, ATTORNEY'S FEES AND COSTS AND SERVICE AWARD

[PROPOSED] FINAL ORDER AND JUDGMENT

Plaintiff March Hurtado's unopposed Motion for Approval of the Private Attorneys General ("PAGA") Settlement came on for hearing on November 5, 2026, at 9:00 a.m. before the Honorable Joseph B. Widman, Department S-36 of the above-entitled Court. The Court has considered the proposed PAGA Settlement Agreement, and all evidence filed in support thereof. This Order and Judgment incorporates the following defined terms.

DEFINED TERMS

1. "Operative Complaint" means Plaintiff's PAGA Complaint filed by Plaintiff Marco Hurtado in this action (the "Action") on September 13, 2023.

2. "Defendants" means FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC.

3. "Plaintiff" means Marco Hurtado.

4. "LWDA Notices" means the July 3, 2023, notice to the Labor and Workforce Development Agency (LWDA) submitted on behalf of Plaintiff, Marco Hurtado, notifying the LWDA of alleged California Labor Code violations by Defendants.

5. "Aggrieved Employees" means all non-exempt, hourly employees who were hired by Armada Staffing and placed to work at FXI, Inc.'s facilities and worked at any time in the State of California, from July 5, 2022, through August 11, 2026.

6. "PAGA Representative Claims" means all claims for civil penalties released by Plaintiff during the PAGA Period that were, or reasonably could have been, alleged based on the facts contained in the operative Complaint or in Plaintiff's pre-filing letter to the LWDA dated July 5, 2023, to the fullest extent of the law, including claims for violations of Labor Code Sections 201, 202, 203, 204, 226, 226.7, 248.1, 248.2, 248.6, 248.7, 510, 512, 1174, 1174.5, 1194, 1197, 2100, 2101, 2102, 2103, 2104, 2015, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2802, 2810.5, and IWC Wage Order Nos. 1-2001, 7-2001, and Sections 3, 4, 6, 10, 11, 12, 14, 15, 18 and 20. Plaintiff does not release any other aggrieved employee's claim for wages or damages that is not permitted by law.

7. "PAGA Settlement" or "Settlement" means the settlement of the Action as memorialized in the Settlement Agreement and Amendment.

8. "PAGA Release Period" means July 5, 2022, through August 11, 2026.

TERMS OF THE ORDER AND JUDGMENT

The Court has determined that the Settlement provides genuine and meaningful relief that benefits the public, is fair, adequate, reasonable, and otherwise being fully informed and good cause appearing therefor, it is hereby **ORDERED, ADJUDGED, AND DECREED AS FOLLOWS**:

1. Unless otherwise provided herein, all capitalized terms used herein shall have the same meaning as defined in the Stipulation for Settlement and Release Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Settlement Agreement"). The Court has jurisdiction over the subject matter of this lawsuit and all matters relating thereto, and over all parties to the action.

2. The Court finds that the Settlement has been reached as a result of serious and non-collusive, arm's-length negotiations. The Court has considered the nature of the claims, the procedural history of this case, the amounts to be paid under the Settlement, the involvement of an experienced private mediator to facilitate the Settlement, the risks of continued litigation that Plaintiff would face, the civil penalties recoverable if Plaintiff was to prevail at trial on her theories of liability under his PAGA claim, the allocation of settlement proceeds among the PAGA Employees, the interests of the State of California and LWDA, and the fact that a settlement represents a compromise of the Parties' respective positions rather than the result of a finding of liability at trial.

3. The Court hereby finds the Settlement involves the resolution of a bona fide dispute, was entered into in good faith, and is fair, reasonable, and adequate. The Court also finds that the Settlement provides genuine and meaningful relief that benefits the public consistent with the purpose of the Private Attorneys General Act of 2004, California Labor Code § 2699 *et seq.*

4. The Court therefore approves the Settlement as set forth in the Settlement Agreement and directs the Parties to effectuate the Settlement according to the terms set forth in the Settlement Agreement.

5. Neither the Settlement nor any of the terms set forth in the Settlement Agreement are admissions by Defendants, or any of the other Released Parties, of liability on any of the allegations alleged in the Action or otherwise, nor is this Order a finding of the validity of any

claims in the Action, or of any wrongdoing by the Defendants, or any of the other Released Parties.

6. The Court finds that Plaintiff's Counsel has adequately represented the Plaintiff, the PAGA Employees, and the LWDA for purposes of entering into and implementing the Settlement.

7. The Court finds that the Settlement, and in particular the Gross Settlement Amount ("GSA") of $90,000 total to be distributed as set forth herein and in the Settlement Agreement, is in all respects fair, reasonable, and adequate and is hereby approved. *See* California Labor Code § 2699(l)(2).

8. Pursuant to the terms of the Settlement, Administration Costs in the amount of $2,990, which are necessary to administer the Settlement, are hereby granted and shall be paid to APEX Settlement Administrators, the designated third-party Settlement Administrator.

9. Pursuant to the terms of the Settlement Agreement, the requested attorneys' fees in the amount of $29,970.00 are reasonable under the common fund method and the lodestar method. The GSA of a total of $90,000 represents a true and common fund, as Defendants must pay the full GSA and no amount of the GSA will return to Defendants under any circumstances. It is recognized that attorneys who recover a common fund are entitled to a reasonable fee award from the fund.

10. The Court also finds that the requested attorneys' fees are reasonable under the lodestar method, or as a crosscheck on the percentage fee. Plaintiff's counsel's lodestar exceeds the attorneys' fees amount of $92,700. In fact, the fee award amounts to an implied negative multiplier on Plaintiff's counsel's lodestar.

11. The Court further finds that Plaintiff's counsel's The Wheeler Law Firm requested litigation costs of $9,081.30 are reasonable and were necessary to prosecute the action.

12. Accordingly, and consistent with California Labor Code § 2699(g)(1), which authorizes an award of attorneys' fees and costs, the requested attorneys' fees in the amount of $29,970.00 to The Wheeler Law Firm, APC, and litigation costs in the amount of $9,801.30 to The Wheeler Law Firm, APC, are hereby granted and shall be paid pursuant to the terms of the Settlement Agreement.

13. Pursuant to the terms of the Settlement Agreement, service award to Plaintiff Marco Hurtado in the amount of $6,000, in recognition of their efforts in prosecuting this action for the benefit of the State of California and PAGA Employees, is hereby granted and shall be paid to

Plaintiff.

14. After deducting Settlement Administration Costs, Attorneys' Fees and Costs, and the Service Awards from the GSA, the remainder of $41,958.70, consistent with California Labor Code § 2699(i), shall be allocated seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to PAGA Employees. Accordingly, $31,469.02 and the remaining 25 percent, which is estimated to total $10,489.68 shall be paid to PAGA Employees. The payments to the PAGA Employees will be paid proportionally based on the number of pay periods that each individual employee worked for Defendants during the PAGA Release Period.

15. As of the Effective Date, Plaintiff, as the representative for the State of California, will forever completely release and discharge the Released Parties from any claim for the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* only. It is expressly understood and agreed that this settlement includes a release of all PAGA Representative Claims based on violations of California Labor Code, including, without limitation, for: all claims for civil penalties released by Plaintiff during the PAGA Period that were, or reasonably could have been, alleged based on the facts contained in the operative Complaint or in Plaintiff's pre-filing letter to the LWDA dated July 5, 2023, to the fullest extent of the law, including claims for violations of Labor Code Sections 201, 202, 203, 204, 226, 226.7, 248.1, 248.2, 248.6, 248.7, 510, 512, 1174, 1174.5, 1194, 1197, 2100, 2101, 2102, 2103, 2104, 2015, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2802, 2810.5, and IWC Wage Order Nos. 1-2001, 7-2001, and Sections 3, 4, 6, 10, 11, 12, 14, 15, 18 and 20. Plaintiff does not release any other aggrieved employee's claim for wages or damages that is not permitted by law. The release shall be effective as of the Effective Date, and it shall apply to claims within the above scope impacting the PAGA Employees arising within the PAGA Release Period. This settlement agreement shall not impact any PAGA Employee's ability to assert Labor Code claims other than PAGA claims (i.e., a claim brought under California Labor Code § 2698, *et. seq.*) unless such claim is subject to res judicata, issue preclusion, or claim estoppel.

16. In accordance with California law as stated in *inter alia Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 . . . is binding not only on

the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." Thus, both the named employee plaintiff and nonparty aggrieved employees (i.e. all PAGA Employees) are bound by this Order and Judgment. *Id*. at 986. However, the Parties Settlement Agreement shall not impact any PAGA Employee's ability to assert Labor Code claims other than the PAGA claims (i.e., a claim brought under California Labor Code § 2698, *et. seq.*) unless such claim is subject to res judicata, issue preclusion, or claim estoppel.

17. Neither this Order nor the Settlement Agreement (nor any other document referred to herein, nor any action taken to carry out this Order) is, may be construed as, or may be used as, an admission or concession by or against Defendants or the Released Parties of the validity of any claim or actual or potential fault, wrongdoing, or liability. Entering into or carrying out the Settlement Agreement, and any negotiations or proceedings related to it, shall not be considered as, or deemed evidence of, an admission or concession as to Defendants' denials or defenses and shall not be offered or received in evidence in any action or proceeding against any party hereto in any court, administrative agency or other tribunal for any purpose whatsoever, except as evidence of the Settlement or to enforce the provisions of this Order and the Settlement Agreement; provided, however, that this Order and the Settlement Agreement may be filed in any action against or by Defendants or the Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion or similar defense or counterclaim.

18. Judgment in this matter is entered in accordance with the terms of the Settlement Agreement, and Approval Order. This judgment is intended to be a final disposition of the above captioned action in its entirety and is intended to be immediately appealable.

19. All envelopes transmitting settlement distribution to Aggrieved Employees shall bear the notation, "**YOUR PAGA SETTLEMENT CHECK IS ENCLOSED."**

20. As set forth in the Settlement Agreement, all settlement checks shall be negotiable for one hundred and eighty (180) days from the date of mailing.

21. APEX Settlement Administrators shall mail a reminder postcard to any Aggrieved Employee whose settlement distribution check has not been negotiated within sixty (60) days after the date of mailing.

22. If a settlement check is not cashed, deposited, or otherwise negotiated within the one hundred and eighty (180) day deadline by an Aggrieved Employee, the check will be voided, and the funds associated with any such voided checks shall be distributed to the LWDA to further the interests of the LWDA and State of California.

23. Upon the Effective Date, Plaintiff and the State of California, shall have, by operation of this Order and Judgment, fully, finally, and forever released, relinquished, and discharged Defendants from all Released Claims as defined by the terms of the Settlement Agreement.

24. This Court shall retain jurisdiction with respect to all matters related to the administration and consummation of the Settlement, to enforce the terms of the judgment, and any and all claims, asserted in, arising out of, or related to the subject matter of the lawsuit, including but not limited to all matters related to the Settlement and the determination of all controversies relating thereto.

25. Counsel for Plaintiff shall file a Notice of Entry of Order and Judgment Granting Approval of the Settlement pursuant to PAGA and provide the same to APEX Settlement Administrators who shall post the Order and Judgment on its website within seven (7) calendar days after entry of the Order and Judgment. APEX Settlement Administrators shall post a copy of this signed judgment for one hundred and eighty (180) calendar days on its website in compliance with Rule 3.771(b) of the California Rules of Court in order to provide notice to the Aggrieved Employees this Order and Judgment.

26. The Notice of Entry of Judgment shall state the following:

> "**TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD**: **PLEASE TAKE NOTICE** that on November 5, 2026, the Honorable Joseph B. Widman, in Department S-36 of the San Bernardino County Superior Court, granted approval of the settlement pursuant to the Private Attorneys General Act ("PAGA") in this action and issued Judgment. Attached hereto as Exhibit A is a true and correct copy of the Judgment."

27. A Final Report (Nonappearance) Hearing regarding compliance with the terms of the Settlement is set for _____, 2027, at 8:30 a.m. in Department S-36. A report from Phoenix Settlement Administrators regarding distribution of the Settlement funds shall be filed five (5) Court days in advance of the Final Report Hearing. The report from APEX Settlement Administrators shall be in the form of a Declaration from the Settlement Administrator, by a declarant with personal knowledge of the facts, and describes: (i) the date the checks were mailed, (ii) the total number of checks mailed to Aggrieved Employees, (iii) the average amount of those checks, (iv) the number of checks that remain uncashed, (v) the total value of those uncashed checks, (vi) the average amount of the uncashed checks, and (vii) the nature and date of the disposition of those unclaimed funds.

28. Plaintiff's Motion for Approval of the Settlement Pursuant to the Private Attorneys General Act ("PAGA") is hereby granted and the Court directs that a judgment shall be entered in accordance with the terms of this Order.

29. This document shall constitute a Judgment for purposes of California Rule of Court 3.769(h).

30. The Court reserves exclusive and continuing jurisdiction over the lawsuit for the purposes of supervising the implementation, enforcement, construction, administration, and interpretation of the Settlement Agreement and this Order and Judgment.

IT IS SO ORDERED.

DATED: _____

_____
HONORABLE JOSEPH B. WIDMAN
JUDGE OF THE SUPERIOR COURT

EXHIBIT B

[Date], 2026

Xpand Settlement Administrators

[Employee Name]
[Employee Street Address]
[City, State Zip]

Re: PAGA Settlement Payment

Dear (INSERT NAME):

You have received this notice because you were hired by Armada Staffing and placed to work at FXI, Inc.'s facilities and worked at any time in the State of California, from July 5, 2022, through August 11, 2026.This notice relates to the settlement of a lawsuit entitled *Marco Hurtado v. FXI, Inc. et al.*, filed on September 13, 2023, in the Superior Court of California, County of San Bernardino, Case No. CIVSB2322142 (the "Lawsuit").

In the Lawsuit, Plaintiff Marco Hurtado ("Plaintiff") sought civil penalties pursuant to the California Private Attorneys General Act ("PAGA"), a law which allows Plaintiff to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiff claims were "aggrieved" by alleged wage and hour violations on the part of Defendants, FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC, based on alleged California Labor Code violations, as follows: (1) failure to provide required meal periods, pursuant to California Labor Code Sections 226.7, 512, 558, and Section 11 of IWC Wage Order Nos. 5-2001 and 7-2001; (2) failure to provide required rest periods, pursuant to California Labor Code Sections 226.7, 515 and Section 12 of IWC Wage Order Nos. 5-2001 and 7-2001; (3) failure to pay overtime wages, pursuant to Labor Code Sections 510, 1194, 1198, and Section 3 of IWC Wage Order Nos. 5-2001 and 7-2001; (4) failure to pay minimum wages, pursuant to California Labor Code Sections 1194, 1197, and Section 4 of IWC Wage Order Nos. 5-2001 and 7-2001; (5) failure to timely pay wages pursuant to California Labor Code Section 204; (6) failure to pay all wages due to discharged and quitting employees, pursuant to California Labor Code Sections 201, 202, and 203; (7) failure to furnish accurate wage statements, pursuant to California Labor Code Sections 226(a) and Section 7 of IWC Wage Order Nos. 5-2001 and 7-2001; (8) failure to maintain required records, in violation of California Labor Code Sections 226(a), 1174(d), and Section 7 of IWC Wage Order Nos. 5-2001 and 7-2001; (9) failure to pay COVID-19 supplemental sick leave, in violation of Labor Code Section 248.1, 248.2, 248.6; (10) failure to indemnify employees for necessary expenditures, in violation of California Labor Code Section 2802; (11) failure to provide written descriptions of all applicable quotas, in violation of California Labor Code Sections 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, and 2112; (12) failure to provide suitable

seating in violation of Section 14 of IWC Wage Order Nos. 5-2001 and 7-2001; and (13) failure to maintain records relating to Wage Theft in violation of California Labor Code Section 2810.5.

FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC dispute Plaintiff's allegations and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC have made a business decision to settle the Lawsuit, which settlement has been approved by the Court. As part of the Settlement, FXI, Inc., Armada Staffing, and Employer's Outsourcing, LLC have agreed to pay a certain amount of penalties under PAGA. Under the PAGA statutes, penalties are divided between the State of California and aggrieved employees, with the State receiving seventy-five (75) percent of the penalties and the aggrieved employees receiving twenty-five (25) percent. Under the Settlement, Plaintiff, on behalf of the State released all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts as stated in the Operative Complaint and Plaintiff's PAGA notice dated July 5, 2023.

The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 calendar days of issuance will be voided and the funds will be distributed to the LWDA to further the interests of the LWDA and State of California.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit.

If you have any questions about this notice, please contact the Settlement Administrator, _____, at _ _____or by e-mail at_____.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.