Docusign Envelope ID: 7C6717C4-97D1-8B67-8286-8E153EEF60BB

Melvin Dixon, et al. v. Union Pacific Railroad Company
Los Angeles County Superior Court Case Nos. 23STCV03259 and 23STCV08745
Memorandum of Understanding - Settlement Terms

On March 9, 2026, Plaintiff Robert Preciado ("Plaintiff" and "Class Representative") and Defendant Union Pacific Railroad Company ("Defendant") (collectively, Plaintiff and Defendant shall be referred to as the "Parties") mediated the proceedings entitled *Dixon, et al. v. Union Pacific Railroad Company*, Los Angeles County Superior Court Case Nos. 23STCV03259 and 23STCV08745 (collectively, the "Actions").

The mediation was held with Jill Sperber, Esq. At the conclusion of mediation, the Parties reached the settlement described in this Memorandum of Understanding ("MOU"), which is subject to court approval and sets forth the terms and conditions reached in the settlement of the class and representative PAGA claims pled in the Actions (the "Settlement").

1. **Key Definitions:**

a. "Aggrieved Employees" means all current and former nonexempt Mechanical and Engineering employees employed by Defendant in California during the PAGA Period.

b. "Class Members" means all current and former nonexempt Mechanical and Engineering employees employed by Defendant in California during the Class Period.

c. "Class Period" is the period from February 14, 2019, through April 30, 2026.

d. "Complaint" refers collectively to the operative complaints on file in Case Nos. CIVSB2520891 and CIVSB2529067.

e. "Effective Date" is defined as the latest of the following dates: (i) if no Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure § 663, then the date the Court enters an order granting Final Approval of the Settlement; (ii) if a Class Member intervenes or files a motion to vacate the Judgment, then sixty-one (61) calendar days following the date the Court enters an order granting Final Approval, assuming no appeal is filed; or (iii) if a Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure § 663 or initiates another collateral attack, and if a timely appeal is filed, then the date of final resolution of that appeal or other collateral attack (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

f. "PAGA Period" is the period from February 14, 2022, through April 30, 2026.

g. "Participating Class Members" are Class Members who do not submit a timely and valid opt-out from the Class Settlement.

h. "Released Class Claims" means the claims alleged in the Complaint, or those that reasonably could have been alleged based upon the facts stated in the Complaint, including: (1) failure to provide accurate itemized wage statements, (2) failure to reimburse business expenses, and (3) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period.

Docusign Envelope ID: 7C6717C4-97D1-8B67-8286-8E153EEF60BB

i. "Released PAGA Claims" means the PAGA claims alleged in the Complaint and in the relevant LWDA notice letters, or that reasonably could have been alleged based on the facts stated in the Complaint and in the relevant LWDA notice letters, including all PAGA claims seeking civil penalties premised upon: (1) failure to provide accurate itemized wage statements, (2) failure to reimburse business expenses, and (3) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties.

j. "Released Parties" means Defendant, together with its officers, directors, employees, agents, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

2. **Gross Settlement Amount:** The Gross Settlement Amount is One Million Seven Hundred Twenty-Five Thousand Dollars and Zero Cents **($1,725,000.00 Dollars)**, which is the total amount Defendant agree to pay under the Class Settlement, except (1) Defendant shall separately pay the employer share of applicable payroll tax obligations in addition to the Gross Settlement Amount, and (2) if the Escalator Clause is triggered (as defined below), Defendant is required to pay those additional amounts, thus increasing the Gross Settlement Amount. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Attorneys' Fees, Attorneys' Costs, Class Representative's Service Award, and the Settlement Administrator Costs. The Gross Settlement Amount shall be all-in with no reversion to Defendant. The employer share of payroll taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of Defendant.

3. **Stipulation to File Second Amended Complaint**. As a condition of settlement, the Parties agree that Defendant will stipulate to the filing of a Second Amended Complaint ("SAC") in Case No. 23STCV03259 that will: (A) dismiss Melvin Dixon and Nathan Jackson as named plaintiffs, and add Robert Preciado as Plaintiff; and (B) consolidate the class and PAGA claims into one case number by adding the PAGA claims from Case No. 23STCV08745. The Parties further agree that the SAC shall be filed, via stipulation and after Defendant's review and approval, before the execution of the long-form agreement. The Parties further agree that the PAGA-only action, Case No. 23STCV08745, shall be dismissed without prejudice, with each side bearing their own fees/costs, once the Court grants the Parties' stipulation allowing the SAC to be filed.

4. **Workweek Information and Escalator Clause**. It is estimated that there are 2,265 Class Members who received 145,106 wage statements for 145,106 pay periods and 380,530 workweeks during the Class Period. As such, the Parties agree that, should the total number of wage statements and pay periods exceed 159,617 (which is 10% more than Defendant's representation), then Defendant shall have the option of either: (1) proportionally increase the Gross Settlement Amount for each additional wage statement or pay period above 159,617, or (2) changing the end date of the Class Period to a date through which there are no more than 159,617 wage statements or pay periods. However, in no event shall the Class Period end before March 9, 2026 (the date of mediation). Prior to filing a motion for preliminary approval of settlement, Defendant shall provide Class Member data to the Settlement Administrator who will determine whether the Escalator Clause has been triggered. Should Defendant choose to change the

Docusign Envelope ID: 7C6717C4-97D1-8B67-8286-8E153EEF60BB

end date of the Class Period, Defendant shall have fifteen (15) calendar days following notice from the Settlement Administrator to inform Plaintiff of its election.

5. **Net Settlement Amount:** The following amounts, if approved by the Court, will be subtracted from the Gross Settlement Amount to derive the Net Settlement Amount:

a. Attorneys' Fees: Defendant will not oppose Plaintiff's request for attorneys' fees of up to 1/3 of the Gross Settlement Amount.

b. Attorneys' Costs: Defendant will not oppose Plaintiff's request for reimbursement of litigation costs of up to $60,000, which will be paid from the Gross Settlement Amount. Any unused funds of this cost allocation will revert to Participating Class Members.

c. Service Award: Defendant will not oppose Plaintiff's request for a service award up to $15,000 in exchange for a full release and Civil Code § 1542 waiver. Plaintiff's general releases and Civil Code § 1542 waivers shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law. Any portion of the service award not approved by the Court will revert to Participating Class Members.

d. Administration Costs: Plaintiff will obtain bids from several Settlement Administrators. The selected administrator shall provide a fixed (not to exceed) bid, which will be the amount that the Parties seek in costs for the Settlement Administrator, subject to Court Approval.

e. PAGA Penalties: PAGA Penalties of $100,000 shall be made from the Gross Settlement Amount, with 35% of the payment going to the Aggrieved Employees and 65% of the payment going to the LWDA.

6. **Distribution of Net Settlement Amount and Tax Allocations:**

a. The entire Net Settlement Amount will be distributed to Participating Class Members, without a claims process, on a non-reversionary basis.

b. Each Participating Class Member shall receive an Individual Class Payment, which shall be paid pro-rata based on the number of workweeks worked during the Class Period by each Participating Class Member.

c. The settlement funds paid to the Participating Class Members will be treated as follows: 10% as IRS form W-2 wages and 90% as interest and penalties reportable on IRS form 1099. The Class Members are responsible for taxes and accounting on their payments received.

d. Participating Class Members and Aggrieved Employees will have 180 days to cash settlement checks. Any uncashed checks will be sent to the California State Controller in the name of the employee.

Docusign Envelope ID: 7C6717C4-97D1-8B67-8286-8E153EEF60BB

7. **Class Release:** Upon the Effective Date occurring and Defendant fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, the Participating Class Members will fully release and discharge the Released Parties of the Released Class Claims.

a. Class Members shall not waive section 1542 of the California Civil Code.

b. Plaintiff, the Settlement Class, and each and every Class Member acknowledge and agree that the payments set forth herein constitute payment of all sums allegedly due to them. Plaintiff, the Settlement Class, and each and every Class Member acknowledges and agrees that California Labor Code § 206.5 is not applicable to the Parties hereto.

c. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Class Settlement.

8. **PAGA Release:** Upon the Effective Date occurring and Defendant fully funding the Gross Settlement Amount and separate amount of payroll taxes described herein, Plaintiff and the Aggrieved Employees shall release and discharge the Released Parties of the Released PAGA Claims.

a. Aggrieved Employees may not opt-out of the PAGA portion of the settlement and Released PAGA Claims. Any Class Member who submits a timely and valid opt-out will only be excluded from the class portion of the settlement. Thus, if any person who submits an opt-out also qualifies as an Aggrieved Employee, that person will receive his/her share of the PAGA Penalties and will be bound by the Released PAGA Claims.

9. **Funding**: Defendant shall fund the Gross Settlement Amount, plus Defendant's share of payroll taxes, within 15 days of the Effective Date.

10. **No Admissions:** Defendant's signature on this MOU is not, and shall not be construed as, an admission of liability and the signed MOU shall be inadmissible in any proceeding other than as necessary to enforce it.

11. **Next Steps**: The Parties will work together expeditiously to obtain preliminary and final approval of this settlement. Plaintiff's counsel will prepare the first draft of the long-form settlement agreement and deliver it to counsel for Defendant within 21 calendar days after the date on which this MOU is fully signed, along with a draft of the Class Notice. Defendant and its counsel will provide any changes within two weeks of receipt. Plaintiff will then promptly file a motion for preliminary approval of this settlement. Class certification shall be for settlement purposes only.

12. **Enforceability**: Any provisions of California Evidence Code §§ 1115-1128 notwithstanding, this MOU is binding and, if the Parties fail to prepare and/or execute a long-form settlement agreement, a court, upon motion, may enter judgment pursuant to this MOU and California Code of Civil Procedure § 664.6, and this MOU is admissible in evidence for purposes of enforcement pursuant to California Evidence Code § 1123.

-- Signatures on Next Page --

Docusign Envelope ID: 7C6717C4-97D1-8B67-8286-8E153EEF60BB

Dated: 06/12/2026

DocuSigned by:
8F1BFE3339924A5...

Plaintiff Robert Preciado

Dated: 7/10/2026

Defendant Union Pacific Railroad Company

By: Brenton Bond

Vice President, Law

APPROVED AS TO FORM:

Dated: June 12, 2026

Aegis Law Firm
Counsel for Plaintiff

Dated: _____

Jackson Lewis P.C.
Counsel for Defendant

4921-4229-5731, v. 1

Dated: _____

Plaintiff Robert Preciado

Dated: 7/10/2026

Benton R Bond

Defendant Union Pacific Railroad Company

By: Benton Bond

Vice President, Law

APPROVED AS TO FORM:

Dated: _____

Aegis Law Firm
Counsel for Plaintiff

Dated: June 10, 2026

Jackson Lewis P.C.
Counsel for Defendant
James P. Carter

4921-4229-5731, v. 1