

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement” or “Settlement Agreement”) is made by and between Plaintiffs Alejandra Jimenez, Darren Garcia, and Taylor Lebowe (collectively, “Plaintiffs”) and Defendant ClearFreight, Inc. (“CLEARFREIGHT” or “Defendant”). The Agreement refers to Plaintiffs and CLEARFREIGHT or Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Actions” means Plaintiffs’ PAGA lawsuits alleging wage and hour violations against CLEARFREIGHT captioned: (1) *DARREN GARCIA and TAYLOR LEBOWE, individually on behalf of themselves and all others similarly situated, Plaintiffs, vs. CLEARFREIGHT, INC., a California Corporation; and DOES 1 through 50, inclusive, Defendants*, Case No 23STCV22946, initiated on September 21, 2023 (“Garcia Action”); and (2) *ALEJANDRA JIMENEZ, individually, and on behalf of Aggrieved Employees pursuant to the California Private Attorneys General Act, Plaintiffs, vs. CLEARFREIGHT INC., a California corporation; and DOES 1 through 25, inclusive, Defendants*, Case No. 23STCV28938, initiated on November 28, 2023 (“Jimenez Action”), which have been deemed related and both of which are pending in the Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of the Settlement.

1.4. “Aggrieved Employee(s)” means all current and former non-exempt employees who worked for Defendant in the State of California during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in CLEARFREIGHT’s possession including each Aggrieved Employee’s full name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employees’ mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Approval Order” means the proposed Court order granting approval of the Settlement.
- 1.8. “CLEARFREIGHT” means the named Defendant ClearFreight, Inc..
- 1.9. “Court” means the Superior Court of California, County of Los Angeles.
- 1.10. “Defense Counsel” means Robert S. Blumberg and Brooke S. Hammond of Littler Mendelson, P.C..
- 1.11. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Approval Order and (b) the Judgment is final. The Judgment is final as of the day the Court enters the Judgment.
- 1.12. “Enhancement Payment” means the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) to be paid to Plaintiff Taylor Lebowe, or such amount as approved by the Court as set forth in Paragraph 3.2.3.
- 1.13. “Gross Settlement Amount” means Two Hundred Ninety Thousand Dollars and Zero Cents (\$290,000.00) which is the total amount CLEARFREIGHT agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay the Individual PAGA Payments, LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Enhancement Payment, and the Administration Expenses Payment.
- 1.14. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the Net Settlement Amount calculated according to the number of PAGA Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.15. “Judgment” means the judgment entered by the Court based upon the Approval Order.

- 1.16. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.17. “LWDA PAGA Payment” means the 75% of the Net Settlement Amount paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.18. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Enhancement Payment, and Administration Expenses Payment. The remainder is allocated 25% to the Aggrieved Employees and 75% to the LWDA.
- 1.19. “PAGA Counsel” means Emil Davtyan, David Yeremian, Samantha Smith, and Natalie Haritounian of D.Law, Inc., counsel for Plaintiffs Garcia and Lebowe, and Jonathan M. Genish, Miriam L. Schimmel, Joana Fang, and Alexandra Rose of Blackstone Law, APC, counsel for Plaintiff Jimenez, the attorneys representing the Plaintiffs in the Actions.
- 1.20. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Actions.
- 1.21. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for CLEARFREIGHT for at least one day during the PAGA Period.
- 1.22. “PAGA Period” means the period from September 1, 2022 to June 30, 2024.
- 1.23. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.24. “PAGA Notices” means Plaintiffs’ letters to CLEARFREIGHT and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.25. “Plaintiffs” means Alejandra Jimenez, Darren Garcia, and Taylor Lebowe, the named Plaintiffs in the Actions.
- 1.26. “Released PAGA Claims” means the claims being released by the Plaintiffs, Aggrieved Employees, and the State of California and as described in Paragraph 5.2 below.
- 1.27. “Released Parties” means CLEARFREIGHT and each of its former and present

1 directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors,
2 and assigns.

3 1.28. "Settlement" means the disposition of the Actions effected by this Agreement and the
4 Judgment.

5 **2. RECITALS.**

6 2.1. On September 21, 2023, Plaintiff Garcia commenced the *Garcia* Action by filing a
7 Class Action Complaint against Defendant alleging class action claims based on
8 various alleged wage and hour violations. On November 27, 2023, Plaintiff Garcia filed
9 a First Amended Class Action Complaint in the *Garcia* Action alleging an additional
10 cause of action under PAGA. On November 28, 2023, Plaintiff Jimenez commenced
11 the *Jimenez* Action by filing a Complaint for Enforcement Action Under the Private
12 Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* ("Jimenez Operative
13 Complaint") against Defendant alleging one cause of action under PAGA. The Parties
14 agree that Plaintiffs Garcia and Lebowe will file a Second Amended Class Action
15 Complaint ("Garcia Operative Complaint") in the *Garcia* Action, which will add
16 Plaintiff Lebowe as an additional named plaintiff. The Jimenez Operative Complaint
17 and Garcia Operative Complaint are the operative complaints in the Actions (together,
18 "Operative Complaints."). CLEARFREIGHT denies the allegations in the Operative
19 Complaints, denies any failure to comply with the laws identified in the Operative
20 Complaints, and denies any and all liability for the causes of actions alleged in the
21 Operative Complaints.

22 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice
23 to CLEARFREIGHT and the LWDA by sending the PAGA Notices.

24 2.3. On April 30, 2024, the Parties participated in an all-day mediation presided over by
25 Tagore Subramaniam Esq. which led to this Agreement to settle the Actions.

26 2.4. Prior to mediation, Plaintiffs obtained, through informal discovery, Plaintiffs'
27 personnel and payroll records, Defendant's policies, and the time and payroll data for
28 all the Aggrieved Employees during the applicable PAGA Period.

2.5. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or actions asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, CLEARFREIGHT promises to pay Two Hundred Ninety Thousand Dollars and Zero Cents (\$290,000.00) and no more as the Gross Settlement Amount. CLEARFREIGHT has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to CLEARFREIGHT.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be Ninety-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$96,666.67) and a PAGA Counsel Litigation Expenses Payment of not more than Eighteen Thousand Dollars (\$18,000.00). CLEARFREIGHT will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an application or motion for the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' counsel arising from any claim to any portion of the PAGA

1 Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment.
2 The Administrator will pay the PAGA Counsel Fees Payment and PAGA
3 Counsel Litigation Expenses Payment using one or more IRS 1099 Forms.
4 PAGA Counsel assumes full responsibility and liability for taxes owed on the
5 PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses
6 Payment and holds CLEARFREIGHT harmless, and indemnifies
7 CLEARFREIGHT, from any dispute or controversy regarding any division or
8 sharing of any of these payments.

9 3.2.2. To the Administrator: An Administration Expenses Payment not to exceed Four
10 Thousand Dollars and Zero Cents (\$4,000.00) except for a showing of good
11 cause and as approved by the Court. To the extent the Administrator's expenses
12 are less or the Court approves payment less than the amount requested, the
13 Administrator will allocate the remainder to the Net Settlement Amount.

14 3.2.3. To Plaintiff Lebowe: An Enhancement Payment of up to Five Thousand Dollars
15 and Zero Cents (\$5,000.00) to Plaintiff Lebowe for serving as a representative
16 plaintiff in the *Garcia* Action. CLEARFREIGHT will not oppose the request
17 for Court approval of this payment provided it does not exceed this amount. If
18 the Court approves an Enhancement Payment less than the amount requested,
19 the Administrator will allocate the remainder to the Net Settlement Amount.
20 The Administrator will report this payment on an IRS Form 1099 issued to
21 Plaintiff Lebowe.

22 3.2.4. To the LWDA and Aggrieved Employees: The Net Settlement Amount will be
23 allocated 75% to the LWDA PAGA Payment and 25% to the Individual PAGA
24 Payments.

25 3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a)
26 dividing the amount of the 25% share of the Net Settlement Amount by
27 the total number of PAGA Pay Periods worked by all Aggrieved
28 Employees during the PAGA Period and (b) multiplying the result by

each Aggrieved Employee's total number of PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Data. Within fifteen (15) days of the Effective Date, CLEARFREIGHT will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of the Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. CLEARFREIGHT has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which CLEARFREIGHT must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.2. Funding of Gross Settlement Amount. CLEARFREIGHT shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within seven (7) days after CLEARFREIGHT funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, the PAGA

Counsel Litigation Expenses Payment, and the Enhancement Payment. Disbursement of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.3.1. The Administrator will issue checks for the Individual PAGA Payments, along with a cover letter (“Cover Letter”) agreed to by the Parties and approved by the Court, in substantially the form attached hereto as “**Exhibit A,**” and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

4.3.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.3.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller’s Unclaimed Property Fund in the name of the Aggrieved Employee.

4.3.4. The payment of Individual PAGA Payments shall not obligate CLEARFREIGHT to confer any additional benefits or make any additional

1 payments to the Aggrieved Employees (such as 401(k) contributions or
2 bonuses) beyond those specified in this Agreement.

3 **5. RELEASES OF CLAIMS.** Effective on the Effective Date and date when CLEARFREIGHT
4 fully funds the entire Gross Settlement Amount, Plaintiffs, acting on behalf of the State of
5 California, the Aggrieved Employees, and the State of California, will release claims against
6 all Released Parties as follows:

7 5.1. Plaintiffs' Release. Plaintiffs, on behalf of themselves and their respective former and
8 present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs,
9 administrators, successors, and assigns generally, release and discharge the Released
10 Parties from all claims, transactions, or occurrences, that occurred during the PAGA
11 Period, including, but not limited to: all individual claims for unpaid wages or penalties
12 that were alleged or reasonably could have been alleged, based on the facts contained
13 in the Operative Complaints and the PAGA Notices ("Plaintiffs' Release"). The
14 Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement,
15 or to any claims for vested benefits, unemployment benefits, disability benefits, social
16 security benefits, workers' compensation benefits that arose at any time, or based on
17 occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may
18 discover facts or law different from, or in addition to, the facts or law that Plaintiffs
19 now know or believe to be true but agree, nonetheless, that the Plaintiffs' Release shall
20 be and remain effective in all respects, notwithstanding such different or additional
21 facts or Plaintiffs' discovery of them.

22 5.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
23 purposes of the Plaintiffs' Release, Plaintiffs expressly waive and relinquish the
24 provisions, rights, and benefits, if any, of section 1542 of the California Civil
25 Code, which reads:

26 A general release does not extend to claims that the creditor or releasing party
27 does not know or suspect to exist in his or her favor at the time of executing the
28 release and that, if known by him or her, would have materially affected his or
her settlement with the debtor or released party.

1 5.2. Release by the State of California and Aggrieved Employees:

2 The State of California with respect to the Aggrieved Employees and all Aggrieved
3 Employees are deemed to release, on behalf of themselves and their respective former
4 and present representatives, agents, attorneys, heirs, administrators, successors, and
5 assigns, the Released Parties from all claims for PAGA penalties that were alleged, or
6 reasonably could have been alleged, based on the PAGA Period facts stated in the
7 Operative Complaints and the PAGA Notices, including violation of California Labor
8 Code Sections 201, 202, 203, 204, 210, 221, 226(a), 226.3, 226.7, 246, 510, 512(a),
9 558, 1174, 1174.5, 1185, 1194, 1194.1, 1197, 1197.1, 1198, 1198.5, 1199, 2800, and
10 2802, and the applicable Industrial Welfare Commission Wage Orders.

11
12 **6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree
13 to jointly prepare and file an application or motion for approval of the Settlement.

14 6.1. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all
15 documents necessary for obtaining approval of the Settlement under Labor Code
16 Section 2699, subd. (f)(2)) including (i) a draft proposed Approval Order; (ii) a signed
17 declaration from the Administrator attaching its "not to exceed" bid for administering
18 the Settlement and attesting to its willingness to serve; competency; operative
19 procedures for protecting the security of Aggrieved Employee Data; amounts of
20 insurance coverage for any data breach, defalcation of funds, or other misfeasance; all
21 facts relevant to any actual or potential conflicts of interest with Aggrieved Employees
22 or the LWDA; and the nature and extent of any financial relationship with Plaintiffs,
23 PAGA Counsel, or Defense Counsel; (iii) a signed declaration from PAGA Counsel
24 attesting to its timely transmission to the LWDA of all necessary PAGA documents
25 (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
26 Complaints (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code
27 section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict
28 of interest with Aggrieved Employees and/or the Administrator.

6.2. Responsibilities of PAGA Counsel and Defense Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of the Settlement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of the Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of the Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. **SETTLEMENT ADMINISTRATION.**

7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, CLEARFREIGHT estimates that there are approximately seventy-two (72) Aggrieved Employees who worked two thousand two hundred fifty (2,250) PAGA Pay Periods during the period September 1, 2022 through April 30, 2024. If the actual number of pay periods during this time period is more than ten percent (10%) above 2,250, then the Gross Settlement Amount will be increased by the percentage in excess of this ten percent (10%) threshold.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of the Judgment, the Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

1 **10. ADDITIONAL PROVISIONS.**

2 10.1. No Admission of Liability or Representative Manageability for Other Purposes. This
3 Agreement represents a compromise and settlement of highly disputed claims. Nothing
4 in this Agreement is intended or should be construed as an admission by
5 CLEARFREIGHT that any of the allegations in the Operative Complaints have merit
6 or that CLEARFREIGHT has any liability for any claims asserted; nor should it be
7 intended or construed as an admission by Plaintiffs that CLEARFREIGHT's defenses
8 in the Actions have merit. The Parties agree that representative treatment is for
9 purposes of the Settlement only. If, for any reason the Court does not approve the
10 Settlement, CLEARFREIGHT reserves all available defenses to the claims in the
11 Actions, and Plaintiffs reserve the right to contest CLEARFREIGHT's defenses. The
12 Settlement, this Agreement, and the Parties' willingness to settle the Actions will have
13 no bearing on, and will not be admissible in connection with, any litigation (except for
14 proceedings to enforce or effectuate the Settlement and this Agreement).

15 10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
16 together with its attached exhibits shall constitute the entire agreement between the
17 Parties relating to the Settlement, superseding any and all oral representations,
18 warranties, covenants, or inducements made to or by any Party.

19 10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and
20 represent that they are authorized by Plaintiffs and CLEARFREIGHT, respectively, to
21 take all appropriate actions required or permitted to be taken by such Parties pursuant
22 to this Agreement to effectuate its terms, and to execute any other documents
23 reasonably required to effectuate the terms of this Agreement including any
24 amendments to this Agreement.

25 10.4. Cooperation. The Parties and their counsel will cooperate with each other and use their
26 best efforts, in good faith, to implement the Settlement by, among other things,
27 modifying the Agreement, submitting supplemental evidence, and supplementing
28 points and authorities as requested by the Court. In the event the Parties are unable to

1 agree upon the form or content of any document necessary to implement the Settlement,
2 or on any modification of the Agreement that may become necessary to implement the
3 Settlement, the Parties will seek the assistance of the mediator and/or the Court for
4 resolution.

5 10.5. No Prior Assignments. The Parties separately represent and warrant that they have not
6 directly or indirectly assigned, transferred, encumbered, or purported to assign,
7 transfer, or encumber to any person or entity and portion of any liability, claim,
8 demand, actions, cause of actions, or right released and discharged by the Parties in the
9 Settlement.

10 10.6. No Tax Advice. Neither Plaintiffs, PAGA Counsel, CLEARFREIGHT, nor Defense
11 Counsel are providing any advice regarding taxes or taxability, nor shall anything in
12 the Settlement be relied upon as such within the meaning of United States Treasury
13 Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

14 10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended,
15 modified, changed, or waived only by an express written instrument signed by all
16 Parties or their representatives, and approved by the Court.

17 10.8. Agreement Binding. The Parties warrant that they understand and have full authority
18 to enter into this Agreement, and further intend that this Agreement will be fully
19 enforceable and binding on all Parties, and agree that it will be admissible and subject
20 to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
21 confidentiality provisions that otherwise might apply under federal or state law. This
22 Agreement will be binding upon, and inure to the benefit of, the successors of each of
23 the Parties.

24 10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
25 governed by and interpreted according to the internal laws of the State of California,
26 without regard to conflict of law principles.

1 10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
2 of this Agreement. This Agreement will not be construed against any Party on the basis
3 that the Party was the drafter or participated in the drafting.

4 10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders
5 entered during Actions and in this Agreement relating to the confidentiality of
6 information shall survive the execution of this Agreement.

7 10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel
8 pursuant to Cal. Evid. Code § 1152, and all copies and summaries of the Aggrieved
9 Employee Data provided to PAGA Counsel by CLEARFREIGHT in connection with
10 the mediation, other settlement negotiations, or in connection with the Settlement, may
11 be used only with respect to the Settlement, and no other purpose, and may not be used
12 in any way that violates any existing contractual agreement, statute, or rule of court.
13 Not later than ninety (90) days after the Administrator discharges its obligation to pay
14 out all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of
15 Aggrieved Employee Data received from CLEARFREIGHT unless, prior to the
16 Administrator's payment of all Settlement funds, CLEARFREIGHT makes a written
17 request to PAGA Counsel for the return, rather than the destruction, of Aggrieved
18 Employee Data.

19 10.13. Headings. The descriptive heading of any section or paragraph of this Agreement is
20 inserted for convenience of reference only and does not constitute a part of this
21 Agreement.

22 10.14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall
23 be to calendar days. In the event any date or deadline set forth in this Agreement falls
24 on a weekend or federal legal holiday, such date or deadline shall be on the first
25 business day thereafter.

26 10.15. Notice. All notices, demands, or other communications between the Parties in
27 connection with this Agreement will be in writing and deemed to have been duly given
28

as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs Garcia and Lebow:

D.LAW, INC.
 Emil Davtyan
 Emil@d.law
 David Yeremian
 d.yeremian@d.law
 Samantha Smith
 s.smith@d.law
 Natalie Haritoonian
 n.haritoonian@d.law
 880 E Broadway
 Glendale, CA 91205
 Telephone: (818) 962-6465
 Fax: (818) 962-6469

To Plaintiff Jimenez

Jonathan M. Genish
 jgenish@blackstonepc.com
 Miriam L. Schimmel
 mschimmel@blackstonepc.com
 Joana Fang
 jfang@blackstonepc.com
 Alexandra Rose
 arose@blackstonepc.com
 BLACKSTONE LAW, APC
 8383 Wilshire Boulevard, Suite 745
 Beverly Hills, California 9021 1
 Telephone: (310) 622-4278

To CLEARFREIGHT:

Robert S. Blumberg
 rblumberg@littler.com
 Brooke S. Hammond
 bhammond@littler.com
 LITTLER MENDELSON P.C.
 2049 Century Park East
 5th Floor
 Los Angeles, California 90067.3107
 Telephone: 310.553.0308
 Fax No.: 800.715.1330

10.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each

of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 07/01/2024



Plaintiff Alejandra Jimenez

Dated: _____

Plaintiff Darren Garcia

Dated: _____

Plaintiff Taylor Lebowe

Dated: 7/3/2024



Full Name: Holly Wiland

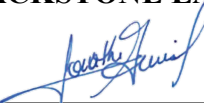
Title: CHRO/HRBP

On behalf of Defendant ClearFreight, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: July 1, 2024



Jonathan M. Genish

Attorneys for Plaintiff Alejandra Jimenez

D.LAW, INC.

Dated: _____

Emil Davtyan

David Yeremian

Natalie Haritounian

Attorneys for Plaintiffs Darren Garcia and Taylor Lebowe

of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

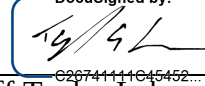
Dated: _____

Plaintiff Alejandra Jimenez

Dated: _____

Plaintiff Darren Garcia

Dated: 7/2/2024

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 Plaintiff Taylor Lebowe

Dated: 7/3/2024


 Full Name: Holly Wiland

Title: CHRO/HRBP
 On behalf of Defendant ClearFreight, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: _____

Jonathan M. Genish
Attorneys for Plaintiff Alejandra Jimenez

D.LAW, INC.

Dated: _____

Emil Davtyan
 David Yeremian
 Natalie Haritounian
Attorneys for Plaintiffs Darren Garcia and Taylor Lebowe

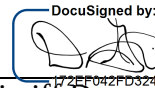
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Dated: _____

Plaintiff Alejandra Jimenez

Dated: 7/2/2024

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Plaintiff Darren Garcia

Dated: _____

Plaintiff Taylor Lebowe

Dated: 7/3/2024



Full Name: Holly Wiland

Title: CHRO/HRBP

On behalf of Defendant ClearFreight, Inc.

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: _____

Jonathan M. Genish
Attorneys for Plaintiff Alejandra Jimenez

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Dated: 7/2/2024



Emil Davtyan
 David Yeremian
 Natalie Haritounian
Attorneys for Plaintiffs Darren Garcia and Taylor Lebowe

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LITTLER MENDELSON P.C.

Dated: 07/08/2024



Robert S. Blumberg
Brooke S. Hammond
Attorneys for Defendant ClearFreight, Inc.

EXHIBIT A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Darren Garcia and Taylor Lebowe v. Clearfreight, Inc.*, Los Angeles County Superior Court Case No. 23STCV22946 and *Alexandra Jimenez v. Clearfreight, Inc.*, Los Angeles County Superior Court Case No. 23STCV28938

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement in the lawsuits entitled *Darren Garcia and Taylor Lebowe v. Clearfreight, Inc.*, Los Angeles Superior Court Case No. 23STCV22946 (“*Garcia Action*”) and *Alejandra Jimenez v. Clearfreight Inc.*, Los Angeles Superior Court Case No. 23STCV28938 (“*Jimenez Action*”) (collectively, “*Actions*”).

The *Garcia Action* was commenced on September 21, 2023 by Plaintiffs Darren Garcia and Taylor Lebowe and the *Jimenez Action* was commenced on November 28, 2023 by Plaintiff Alejandra Jimenez against ClearFreight, Inc. (“*Defendant*”), on behalf of the State of California, with respect to themselves and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“*PAGA*”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders. Prior to initiating the operative complaints in the *Actions* (“*Operative Complaints*”), Plaintiffs Darren Garcia, Taylor Lebowe, and Alejandra Jimenez (collectively, “*Plaintiffs*”) submitted letters to the California Labor and Workforce Development Agency (“*LWDA*”), pursuant to *PAGA*, to provide notice of their intent to seek civil penalties under *PAGA* for Defendant’s alleged violations of the California Labor Code and the applicable Industrial Welfare Commission Wage Orders (collectively, “*PAGA Notices*”).

Defendant denies all of Plaintiffs’ allegations and denies any wrongdoing of any kind associated with Plaintiffs’ allegations. A settlement was reached between Plaintiffs and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former non-exempt employees who worked for Defendant in the State of California during the *PAGA Period* (“*Aggrieved Employees*”). The period September 1, 2022 to June 30, 2024 is the “*PAGA Period*.”

You are receiving a portion of the settlement (the enclosed Individual *PAGA Payment*) because you have been identified as an Aggrieved Employee. Your Individual *PAGA Payment* is based on the total number of pay periods that you worked for Defendant in California during the *PAGA Period*. The Individual *PAGA Payment* is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of Effective Date and full funding of the Gross Settlement Amount>>, the State of California with respect to the Aggrieved Employees and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns from all claims for *PAGA* penalties that were alleged, or reasonably could have been alleged, based on the *PAGA Period* facts stated in the *Operative Complaints* and the *PAGA Notices*, in violation of California Labor Code Sections 201, 202, 203, 204, 210, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174, 1174.5, 1185, 1194, 1194.1, 1197, 1197.1, 1198, 1198.5, 1199, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller’s Office Unclaimed Property Division in your name and in the amount of your Individual *PAGA Payment*.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant’s counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Administrator] at [toll-free phone number].