

ANA MOLINA V. LATTCO SERVICES, INC., ET AL.
MEMORANDUM OF AGREEMENT

Defendants LattCo Services, Inc. (“LattCo”) and Valerie Latta (“Defendants”) and Plaintiff Ana Molina (“Plaintiff”; together with Defendants, the “Parties”) set forth the terms of a Memorandum of Agreement (“MOA” or “Agreement”) designed to bind the Parties to terms of a settlement to be thereafter memorialized further in a long form Stipulation of Settlement, the provisions of which will be consistent with this MOA.

1. For purposes of this Agreement, the “Action” is defined as *Ana Molina v. LattCo Services, Inc., et al.*, State of California Superior Court, County of Sacramento, Case No. 23CV010964.
2. This MOA memorializes the settlement reached in the mediation on February 25, 2025 between Plaintiff as representative of the State of California and the PAGA Aggrieved Employees, and Defendants. This MOA confirms the essential terms of the settlement reached between the Parties with the assistance of mediator Daniel J. Turner. The Parties intend to enter into a more formal long form agreement (the “Stipulation of Settlement”) not inconsistent with the terms of this MOA, but if they fail to execute a more formal agreement, this MOA will be final, binding and enforceable pursuant to California Code of Civil Procedure Section 664.6 and admissible pursuant to California Evidence Code Section 1123.
3. The Parties agree to cooperate fully with each other to accomplish the terms of the Agreement by entering into the long-form Stipulation of Settlement, to use their best efforts to finalize the Agreement, and to use any other efforts that may become necessary by order of the Court, or otherwise, to effectuate the Agreement. Plaintiff shall have 30 days from the date of this MOA to provide Defendants the Stipulation of Settlement, including a proposed Notice form, Share form, and preliminary/final approval orders. Plaintiff shall prepare the initial draft. Plaintiff will provide Defendants an opportunity to review the motion at least ten (10) days before filing.
4. The Parties agree that the proper scope and definition of “Aggrieved Employees” for purposes of this agreement are all current and former non-exempt employees of Defendants in the State of California who worked at least one shift between October 31, 2022 through February 25, 2025.” For the purpose of this paragraph “Defendants” shall mean and refer to LattCo Services, Inc. and Valerie Latta.
5. The Parties and their counsel agree that the consideration described in the subparagraphs below constitute their good faith compromise of the Action based upon their assessment of the value of the case, and the mutual risks and costs of further litigation. Specifically, the consideration provided by Defendants consists of the following:
6. Defendants shall pay the maximum Gross Settlement Fund Amount (“Settlement Fund Amount” or “MSA”) of **\$425,000.00** in full and complete settlement of this matter.

- a. Defendants shall fund the MSA in the following manner:
 - i. Within the latter of (1) five calendar days of the “Effective Date” or (2) July 30, 2025, Defendants shall pay no less than \$185,000.00 of the MSA to the Settlement Administrator. At the same time, Defendants shall submit PAGA Members List (as defined below) to the Settlement Administrator (the “Initial Payment”).
 - ii. Thereafter, Defendants shall pay the remainder of the MSA in 8 equal monthly installments commencing 30 days after the Initial Payment and terminating on February 27, 2026 (the “Monthly Payments”) to be paid on the last calendar day of each month. All installments shall be made into a QSF set up by the Settlement Administrator.
 - iii. The Settlement Administrator is authorized to make payments to Counsel and for all administration expenses as sufficient amounts are deposited within the QSF prior to distribution of the NSA.
 - b. The Effective Date means the date on which the settlement embodied in this Settlement Agreement shall become effective and is the date after all of the following events have occurred: (i) this Settlement Agreement has been executed by Plaintiff and Defendant; and (ii) the Court has filed a Notice of Entry of Order granting Final Approval to the Settlement.
 - c. This is a non-reversionary settlement. All funds represented by uncashed checks remaining in the Qualified Settlement Fund shall be tendered to the State’s Unclaimed Wages Fund.
7. The Parties agree that the consideration described in Paragraph 6, above, constitutes adequate consideration for the settlement and release described below:
- a. *Release by Plaintiff:* The Plaintiff shall be bound by a complete Section 1542 release and waiver of all claims known and unknown, without exception, against the “Released Parties” (below), except as may be prohibited by law. This includes Plaintiffs claims in the court-ordered arbitration or that could have been brought in the court-ordered arbitration filed with the American Arbitration Association (AAA Case No. 01-24-0003-2322). For this release, the Parties agree that Plaintiff shall be paid \$7,500 out of the MSA. Plaintiff will execute a separate general release of all known and unknown claims.
 - b. Defendant shall not oppose a request for an enhancement award for Plaintiff up to the amount of \$5,000, which Plaintiff will seek for her work in resolving the case. If the Court approves an enhancement payment to Plaintiff in an amount less than that set forth above, the difference between the amount set forth above and the amount approved by the Court will be added to the “PAGA Settlement Fund” (below) and distributed.
 - c. *Release by PAGA Members:* All PAGA Members and the LWDA will be bound by a *limited* release that releases all claims for civil penalties under

PAGA against the Released Parties within the definition of “Released PAGA Claims” (defined below). Under no circumstances will PAGA Members, other than Plaintiff, release any underlying, predicate, or non-representative penalty claims under this Settlement. This release is binding on the State of California, which includes the LWDA and its departments, divisions, commissions, boards, agencies, and employees, and any of Defendants’ current or former employees who may seek to represent the State of California to recover civil penalties pursuant to PAGA based on alleged violations of the Released PAGA Claims during the PAGA Period.

- d. *Definition of “Released PAGA Claims”*: means all claims for civil penalties, interest, fees or costs under the Private Attorneys General Act that were alleged, or reasonably could have been alleged based on the facts of the operative Complaint and the PAGA Notice(s). The period of the Release shall extend to the limits of the PAGA Release Period. The Parties agree that there is no statutory right for any PAGA Member to opt out or otherwise exclude himself or herself from the Settlement.
 - e. *Definition of “Released Parties”*: “Released Parties” shall mean Defendants LattCo Services, Inc. and Valerie Latta, as well as their former, present, and future officers, directors, employees shareholders, members, attorneys, insurers, predecessors, agents, successors, assigns, subsidiaries, affiliates, and agents.
 - f. *Definition of “Release Period”*: The Release Period shall be the period starting October 31, 2022 through February 25, 2025.
- 8. In the event that: (a) the Court does not finally approve the Settlement in substantially the same form as set forth herein or the long form Settlement; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning and the Parties shall be in the same position as they were prior to agreeing to this MOU.
 - 9. The entirety of the Settlement Fund Amount will be treated as payment of civil penalties for violations of PAGA. This amount will be allocated as follows: 75% will be payable to the LWDA and the remaining 25% will be payable to the PAGA Group on a pro-rata basis based on the number of pay periods each PAGA member worked during the PAGA period. Plaintiff will receive her pro-rata shares of the PAGA Settlement Payment to PAGA Members.
 - 10. Defendants will not oppose an application for an award to Counsel for Plaintiff and the PAGA Group, from the Settlement Fund Amount, of up to one-third of the Settlement Fund Amount in attorneys’ fees, plus actual costs and expenses of up to \$25,000, as supported by declaration. Even in the event that the Court reduces or does not approve the requested Award and costs to Counsel, the difference between the amount set forth above and the amount approved by the Court will be added to the PAGA Settlement

Fund and distributed. Plaintiff's Counsel shall not have the right to revoke this MOA or this settlement, and it will remain binding.

11. The Parties will select a Settlement Administrator on the basis of cost and competence, with the best interests of the PAGA Group in mind. Defendants and Defendants' counsel shall not enter into any contractual relationship with the Settlement Administrator. Fees of the Settlement Administrator shall be paid out of the Settlement Fund Amount, in the amount up to \$25,000. The Stipulation of Settlement shall make clear that Plaintiff, Plaintiff's counsel, Defendants, and Defendants' counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the settlement payments or development of the list of recipients of settlement payments or any increase in the fees of the Settlement Administrator that may result from such errors or omissions.
12. Defendants shall transmit the names and contact information confidentially for all PAGA Members to a mutually agreed upon Settlement Administrator 5 calendar days after the entry of a Court order approving the Settlement (the "PAGA Members List"). The PAGA Members List provided by Defendants to the administrator as part of the administration process shall also list the start and ends dates of employment for PAGA Members, as well as Defendants' best estimates of workweeks worked by each PAGA Member. The Settlement Administrator will be responsible for issuing to PAGA Members an IRS Form 1099 for the portions allocated to penalties and interest.
13. Defendants have represented that there are 630 putative Aggrieved Employees during the period from October 31, 2022 through January 25, 2025, who worked a combined 10,054 pay periods during that period. Plaintiff has relied upon these material representations in entering into this MOA. Should the number of pay periods worked by the Aggrieved Employees increase by 10%, the MSA shall increase on a pro-rata basis equal to the percentage increase in the number of pay periods worked by the Aggrieved Employees over that 10% threshold.
14. The Parties and their counsel agree not to take any action to encourage, support, or induce any Settling PAGA Members to object to the Settlement.
15. Defendants expressly deny any liability. Nothing in this MOA, the Stipulation of Settlement, approval of the settlement, orders related to Settlement, or any statement or conduct in furtherance of the Settlement shall constitute an admission of liability or the accuracy of any allegation made by Plaintiff or his counsel.
16. Neither Defendants nor their counsel shall have any liability for any tax implications related to the receipt of settlement funds herein, including by the claims administrator. Any and all such liability and/or obligations shall be borne solely by the recipients of any funds to be paid by LattCo herein, except that in no case shall any Aggrieved Employee be required to pay, reimburse, or indemnify LattCo for any amounts characterized or recharacterized as employer-side tax liabilities. The Parties acknowledge neither Defendants' nor Plaintiff's counsel have provided any

tax-related advice whatsoever.

17. Should any disputes arise in negotiating or executing either the MOA or the Parties' subsequent Long Form Agreement, the Parties shall submit such disputes to Daniel J. Turner, who shall have final adjudication over such disputes.

IT IS SO AGREED.

Dated: 15/04/25

PLANTIFF

Ana Molina
Ana Molina (Apr 15, 2025 11:02 PDT)

Ana Molina

Dated: 04/16/2025

DEFENDANTS

Valerie J. Latt

LattCo Services, Inc.

2025-02-25 MOA (Molina v LattCo)

[OPERATIVE]

Final Audit Report

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