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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

(UNLIMITED JURISDICTION)

BRENDA ROMERO ARAGON, Plaintiff, vs. SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS; and DOES 1 to 25, inclusive, Defendant.	Case No.: 24STCV03746 *[Assigned for all purposes to Honorable Robert B. Broadbelt, Dept. 513]* **DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF STIPULATION FOR APPROVAL OF PAGA SETTLEMENT** [Filed Concurrently with Stipulation and Proposed Order] Complaint Filed: February 14, 2024

DECLARATION OF HAROUT MESSRELIAN

I, Harout Messrelian, declare as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for Plaintiff BRENDA ROMERO ARAGON ("Plaintiff") in her lawsuit against SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS (hereinafter "the CONFERENCE" or "Defendant").

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 350 civil actions and/or claims involving representative actions under the Private Attorneys General Act ("PAGA") and/or wage and hour claims on behalf of my clients and have been appointed Class Counsel in three class action cases –*Zohrab Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court Case No. 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT), *Carina Camberos, on behalf of herself and others similarly situated, v. Great American Chicken Corp, Inc.*, Los Angeles Superior Court Case No. 21STCV32015, and *Robert Garcia, on behalf of himself and others similarly situated v. HD Supply Management Inc.*, San Bernardino Superior Court Case No. CIVSB2028067. I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

3. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

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Factual and Procedural Background

4. Defendant is a regional administrative body of the Seventh-day Adventist Church that operates and oversees churches, schools, pre-schools, care centers, camps, and an administrative office throughout Southern California. Plaintiff was classified as a non-exempt, hourly employee and worked for Defendant in its kitchen/housekeeping department at one of its camps from approximately July 7, 2023 to January 7, 2024.

5. Plaintiff complied with the procedures of Labor Code section 2699.3 for bringing suit under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, et seq. ("PAGA"). On November 29, 2023, Plaintiff on behalf of herself and Defendant's California non-exempt employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendant of their claims against Defendant. In her notice to the LWDA, Plaintiff asserted on behalf of herself and the Aggrieved Employees that Defendant (1) failed to pay minimum wages and to compensate for all hours worked, including off-the-clock work (Labor Code sections 1194, 1194.2, 1197, 1197.1); (2) failed to pay overtime compensation (Labor Code section 510); (3) failed to provide rest periods (Labor Code section 226.7); (4) failed to provide meal periods (Labor Code sections 512, 226.7); (5) failed to timely pay wages due during employment (Labor Code section 204); (6) failed to provide accurate itemized wage statements (Labor Code section 226); (7) failed to keep accurate and complete payroll records (Labor Code sections 1174, 1174.5); (8) failed to pay wages at the end of employment (Labor Code section 201, 202, 203); (9) failed to reimburse business expenses (Labor Code sections 2800, 2802); and (10) engaged in unlawful business practices in violation of Labor Code section 558 and Business and Professions Code section 17200. Plaintiff filed her lawsuit on February 14, 2024, in the Superior Court for the State of California, County of Los Angeles, Case No. 24STCV03746, asserting a representative cause of action for PAGA penalties based on the theories outlined in the PAGA letter.

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6. Through informal discovery, Defendant produced records and represented that it employed approximately 670 employees falling within Plaintiff's Aggrieved Employees definition for the period from December 11, 2022 (one year and 65 days before Plaintiff's PAGA lawsuit) through the date of judgment, and that there are paychecks issued for a total of approximately 25,000 pay periods worked for that same time period.

7. The Settlement Agreement covers PAGA Members, which are Aggrieved Employees employed on or after December 11, 2022, through the date of judgment.

8. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully, finally, and forever compromise, and discharge all claims known or unknown related to those alleged in Plaintiff's lawsuit.

9. The parties attended a full-day mediation with experienced mediator JJ Johnston, Esq., on July 30, 2025. Although the Parties did not reach resolution at the mediation, they continued to negotiate and ultimately reached a settlement. Before agreeing to the terms of the Settlement, the Parties engaged in informal discovery regarding Defendant's policies, practices, operations, time and payroll information and other topics. Prior to negotiation, Defendant produced Plaintiff's personnel file, time and payroll data for Plaintiff, and time records and payroll records for a sample of 114 aggrieved employees falling within Plaintiff's Aggrieved Employees definition and during the applicable PAGA period. Through extensive arm's length negotiations and only after discovery and investigation were performed, the Parties agreed to settlement terms. Attached as Exhibit 1 is a true and accurate copy of the "Joint Stipulation of PAGA Settlement and Release" (hereinafter "Settlement Agreement") along with the notice that will be sent, with payment, to the PAGA Members covered by the Settlement Agreement. As alluded to above, the Parties negotiated the PAGA claims through arms-length negotiation during a private mediation, and only after sufficient discovery was completed, including data being sent to Plaintiff's data expert for analysis/review.

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10. The Parties conducted investigation of the facts and law both before and after the lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations claimed by Plaintiff. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the Settlement for the consideration and on the terms set forth in this Stipulation are fair, reasonable and adequate and are in the best interests of Plaintiff, the PAGA Members, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, especially in this post-pandemic era when most California businesses are still struggling to remain afloat, much less prosper and make a large profit.

11. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits, especially in light of the post-pandemic era and the business climate.

12. Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA Members were not provided compliant meal periods and rest periods under the law.

13. Plaintiff contends that the civil penalty statutes applicable to the Action arise from violations of the California Labor Code, including, but not limited to, Labor Code sections 226.7, 512, 558, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a Labor Code violation may be awarded a sum of money for each pay period in which he or she was underpaid. However, under Labor Code section 2699(e)(2), the Court can reduce an award of civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

14. As it relates to Plaintiff's argument for meal break violations, Plaintiff's data analysis revealed a shift violation rate of 15.6% for short, late, or no meal breaks for shifts that were 5 hours or greater. The data revealed that 48.5% of shifts in the sample were 5 hours or greater. As such, we are dealing with alleged violations covering 12,125 pay periods [25,000 total pay periods x 48.5%]. If you extrapolate the 15.6% shift violation rate, it amounts to

21.1% of pay periods having at least one meal period violation. As such, the maximum exposure for meal period violations in the PAGA period, which Plaintiff understands Defendant disputes, would be $127,900, which is calculated as follows: 12,125 pay periods x 21.1% equals 2,558 affected pay periods; 2,558 pay periods x $50/pay period (civil penalty) amounts to **$127,900** in exposure. The latter exposure calculation also does not take into account the fact that there are risks to Plaintiff's meal period claims. Specifically, Defendant paid meal period premiums and maintained compliant meal period policies. Defendant further contends that, to establish a violation for missed meal periods, a plaintiff must do more than show that a meal break was not taken. Determining by a review of Defendant's time records the exact reasons why a meal period appears to be short or late or not taken would be difficult and would be a challenge as Plaintiff would have issues with manageability.

15. As it relates to Plaintiff's argument for rest break violations, rest breaks were not separately tracked on paper by Defendant's timekeeping system, and Defendant maintained compliant rest period policies. Plaintiff nonetheless contends that the same conditions giving rise to the meal period violations also resulted in missed, late, or interrupted rest periods. Applying a civil penalty of $100 per affected pay period to the same 2,558 affected pay periods identified above yields a maximum exposure of **$255,800** (2,558 pay periods x $100/pay period). As such, the maximum exposure for meal period and rest period violations in the PAGA period, which Plaintiff understands Defendant disputes, would be **$383,700**.

16. As it relates to Plaintiff's other claims, there would be substantial issues with proof. As it relates to Plaintiff's minimum wage claim, the claim fails because there was no rounding, as the hours were paid to the second decimal point. As it relates to straight overtime, the claim fails because overtime was paid correctly according to the sample, and the average number of hours worked per day was only 5.4 hours, which does not trigger daily overtime. As it relates to the regular rate of pay claim, it fails because there were no bonus or commission payments in the sample. As it relates to Plaintiff's wage statement claim under Labor Code section 226(a), although Plaintiff argued that the legal entity name on the paystubs was not the full name of the employer, Defendant argued that this did not cause confusion to employees

because the Church's symbol appears on the wage statements along with an address, which would eliminate any confusion as to the identity of the legal employer; in any event, Defendant argues that there was no knowing and intentional violation.

17. As it relates to Plaintiff's claim for business expense reimbursement, Defendant argued that personal cell phones were not required for work purposes, that the uniforms employees were required to wear were not of a distinct design or color so as to warrant reimbursement, and that Defendant maintained a compliant expense reimbursement policy under which employees could submit reimbursement requests if they believed an item should be reimbursed. Plaintiff's remaining claims are derivative claims for violations of Labor Code sections 203, 204, and 1174 for not being paid all wages owed every pay period or at the end of employment as well as for failing to keep accurate records, and are not triggered absent the underlying meal and/or rest period violations.

18. Based on the above calculations, Plaintiff's aggregate exposure for the strongest disputed claims, which again Plaintiff understands Defendant disputes, would be **$383,700**. Assuming that Plaintiff's calculations and analysis are accurate, the maximum exposure presumes that the Court will not reduce the penalty award as unjust, arbitrary, oppressive, or confiscatory. Based on the above analysis, a gross settlement in the amount of $300,000 is a very strong result, especially in light of the risk factors as discussed above.

19. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff multiple PAGA penalties for the same violation for the same pay period under different Labor Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack" civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded extremely small sums to PAGA claimants in the past. Defendant also adamantly disputes all of Plaintiff's allegations in the operative Complaint.

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20. PAGA states a court has discretion to award a lesser amount than the maximum penalty. *See* Lab. Code § 2699(e)(2) ("…a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."); *see also Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1135 (2012) (reducing PAGA award). There is a substantial risk that the Court could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of willful and intentional conduct. In *Carrington v. Starbucks*, the Court of Appeal affirmed a trial court's heavily discounted award of only $5 per violation because it was within the Court's discretion to significantly reduce PAGA penalties even when there is a finding that a violation of the California Labor Code occurred. *Carrington v. Starbucks*, 30 Cal. App. 5th 504 (2018). The plaintiff in *Carrington* had requested penalties in excess of $70 million and was successful in proving the PAGA claim during a bench trial. However, the trial court reduced the total award after trial to only $150,000 (30,000 violations x $5) and stated that this reduction was warranted because imposing the maximum penalty would be "unjust, arbitrary, and oppressive", based on Starbucks's "good faith attempts" to comply with meal break obligations and because the Court found the violations were minimal. Applying the same formula here and assuming there was one violation during each pay period, the award of civil penalties could not exceed $125,000 in PAGA penalties (25,000 x $5). As such, this Settlement is a great result based solely on the risk the Court chooses to apply the *Carrington* formula. Defendant has also provided defenses to the Labor Code claims underlying Plaintiff's allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement Amount is uncertain.

21. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits to the PAGA Members and Plaintiff from continued litigation.

22. The settlement of the Action involves monetary relief to all PAGA Members, Plaintiff, her attorneys, and the State of California.

23. Furthermore, Plaintiff recognizes that continued litigation presents significant risks that support a significant downward departure from Plaintiff's estimated civil penalties amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, 762 F.3d 902 (9th Cir. 2014). The PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to Plaintiff, the aggrieved employees, and the State, especially in light of the current economic climate, and are the product of good faith, and informed arms-length negotiations between the Parties consistent with public policy and fully comply with applicable provisions of law.

24. The Total Settlement Fund will be distributed under terms pursuant to a payment plan. As such, the settlement of PAGA penalties in the gross sum of $300,000, of which 75% of the net amount after attorney's fees [$100,000.00], attorney costs [$10,488.50], and settlement administrator fees [$6,000.00], which is $137,633.62 will be paid to the LWDA, and 25%, which equates to $45,877.88, will be distributed to the PAGA Members, is reasonable and appropriate under the circumstances. With a total of 670 Aggrieved Employees, the average estimated individual PAGA payment for each Aggrieved Employee is approximately $68.48 (25% of the estimated Net Settlement equating to $45,877.88 as noted above) / 670 Aggrieved Employees). This is a great result given the uncertainties of litigation.

Attorneys' Fees and Costs

25. I represent Plaintiff on a straight contingency basis. My firm's request for $100,000.00 [1/3] in attorney fees and $10,488.50 in litigation costs is fair and reasonable. To date, I have investigated and prosecuted this matter vigorously, including drafting the initial PAGA notice as well as the original complaint; reviewing Defendant's informal data and document production; sending and receiving emails on the case with defense counsel; sending the PAGA data to Plaintiff's expert for review/analysis and reviewing the expert's findings/conclusions; preparing for mediation, including providing material and arguments to

the mediator; engaging in a private mediation; and drafting this PAGA approval stipulation. I also expect to perform additional work on this case if the Court grants final approval of the Settlement, including supervision of the Settlement Administrator's disbursement of the settlement funds to the Aggrieved Employees. "Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery. *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 47 fn. 11 (2008) (*quoting Shaw v. Toshiba America Information Systems, Inc.*, 91 F. Supp. 2d 942, 972 (E.D. Tex. 2000); *see also Lafitte v. Robert Half Int'l Inc.*, 1 Cal. 5th 480, 503 (Cal. Aug. 11, 2016) (holding that courts can use the percentage method for the calculation of attorneys' fees). This is also consistent with my experience in cases involving PAGA claims. This award is justified here because I achieved a strong result for the PAGA Members and the State while bearing the substantial burdens of contingency representation.

26. My previous experience in litigating wage and hour actions also supports the reasonableness of the fee request, as does the caliber of opposing counsel. My previous experience in similar matters was integral in evaluating the strengths and weaknesses of the case against Defendant and the reasonableness of the Settlement. Because it is reasonable to compensate me commensurate with my skill, reputation, and experience, attorney's fees of approximately 1/3 of the Gross Settlement Amount is reasonable. Likewise, the caliber and experience of opposing counsel in labor and employment litigation supports the fairness and reasonableness of the requested fee award.

27. The litigation costs expended to aid in the representation of the PAGA Members include the following: lawsuit filing fee of $454.22; PAGA initial filing fees of $75.00; service of lawsuit fee of $80.00; expert data analysis fee of $1,050.00; mediation fee of $8,750.00; cost of obtaining Plaintiff's personnel file and pay records of $10.10; and miscellaneous filing fees of $69.18 for a total of $10,488.50. All of these costs are documented and reasonably incurred.

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Settlement Administration Costs

28. With regard to the settlement administration costs provision, it is reasonable. Before agreeing to Apex Class Action Administration ("Apex"), the parties sought and reviewed bids from other reputable third-party administrators, including Phoenix and ILYM, and Apex's bid was comparable. Apex's bid has been attached as **Exhibit 2** to this declaration.

Notice of Settlement to the LWDA

29. Pursuant to Labor Code section 2699(l)(2), my firm submitted a copy of the Settlement with the LWDA at the same time the Settlement is being filed with the Court. True and correct copies of this submission with the LWDA and the confirmation email are collectively attached as **Exhibit 3** to this declaration. My firm will further provide a copy of the Court's Order and Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as required by Labor Code sections 2699(l)(2)-(3).

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on July 8, 2026 at Los Angeles, California.

Harout Messrelian,
Declarant

EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

BRENDA ROMERO ARAGON, Plaintiff, vs. SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS; and DOES 1 to 25, inclusive, Defendants.	CASE NO. 24STCV03746 Assigned for all Purposes to: Hon. Robert B. Broadbelt Dept. 513 **JOINT STIPULATION OF PAGA SETTLEMENT AND RELEASE** Complaint Filed: February 14, 2024

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This Joint Stipulation of PAGA Settlement and Release ("Settlement," "Settlement Agreement," or "Agreement") is made and entered into by and between Plaintiff BRENDA ROMERO ARAGON ("Plaintiff" or "PAGA Representative"), and on behalf of other Aggrieved Employees, as defined below, and as a private general attorney on behalf of the State of California, and Defendant SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS ("Defendant") (collectively, the "Parties").

SETTLEMENT BACKGROUND AND RECITALS

On November 29, 2023, Plaintiff, on behalf of herself and other Aggrieved Employees, gave written notice by electronic submission to the Labor and Workforce Development Agency ("LWDA") and certified mail to Defendant on the specific provisions of the California Labor Code alleged to have been violated. On February 14, 2024, Plaintiff filed a representative action lawsuit in Los Angeles County Superior Court, Case No. 24STCV03746 (the "Action") which alleged the follow causes of action: (1) Failure to Compensate Employees for All Hours Worked; (2) Failure to Pay Minimum Wages; (3) Failure to Pay Overtime; (4) Failure to Provide Accurate Itemized Wage Statements; (5) Failure to Pay Wages Owed Every Period; (6) Failure to Pay Wages When Employment Ends; (7) Failure To Provide Rest Periods; (8) Failure to Provide Meal Periods; (9) Failure to Reimburse Business Expenses; (10) Violation of PAGA; and (11) Violation of Business & Professions Code § 17200.

The Parties informally exchanged discovery related to the Action, including discovery related to Defendant's policies and practices, the number of Aggrieved Employees, the number of Pay Periods at issue in the PAGA Period, and payroll data of an agreed upon random sample of payroll data of the Aggrieved Employees. Parties participated in a full day mediation with JJ Johnston, Esq., a distinguished and highly regarded Mediator. Although the Parties did not reach resolution at the mediation, the Parties continued to negotiate to reach a settlement.

Plaintiff's Counsel has thoroughly investigated the facts relating to the claims alleged in the Action, and analyzed the applicable legal principles with respect to the claims asserted against Defendant. Based upon Plaintiff's Counsel's discovery, investigation, and legal evaluation, and taking into account the sharply contested legal and factual issues involved and assessment of the uncertainties of complex litigation and the relative benefits conferred upon the Aggrieved Employees pursuant to this Settlement Agreement, Plaintiff's Counsel has concluded that a settlement with Defendant, on the terms set forth in this Settlement Agreement, is fair, reasonable, adequate, and in the best interests of Plaintiff and the Aggrieved Employees. In particular, Plaintiff's Counsel and Plaintiff understand the risk of the merits of defenses that Defendant has asserted.

Defendant denied, and continues to deny, the allegations set forth in the Action in their entirety and any and all liability arising out of the conduct alleged. Defendant also denies that the Action is suited for representative action treatment under PAGA. Defendant has asserted defenses to the claims alleged in the Action. Moreover, Defendant has always maintained that it complied at all times with the California Labor Code, applicable Wage Orders of the Industrial Welfare Commission ("IWC"), the California Business and Professions Code, and that Plaintiff and the Aggrieved Employees have been properly provided all meal breaks and rest breaks, provided accurate wage statements, reimbursed any and all appropriately reimbursable expenses, and timely and properly paid all wages and/or any other payments owing under applicable federal and state law. Defendant has concluded that further defense of this Action would be protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have been expended, and unless this Settlement is made, will continue to be expended in defense of the claim and subclaims asserted in this Action. Therefore, Defendant has agreed to settle in the manner and upon the terms set forth in this Settlement Agreement to put to rest the claim and subclaims as set forth in the Action.

The Parties agree that Defendant's decision to settle the Action is not, and shall not be construed as, an admission of any wrongdoing whatsoever by Defendant against Plaintiff and/or any other Aggrieved Employee.

NOW THEREFORE, IT IS HEREBY AGREED, by and between the undersigned, that the Action shall be settled, subject to the approval of the Court, pursuant to the following terms and conditions:

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DEFINITIONS

The following definitions are applicable to this Settlement Agreement.

Definitions contained elsewhere in this Settlement Agreement will also be effective.

1. "Action" means the representative action titled *Brenda Romero Aragon v. Southern California Conference of Seventh-day Adventists*, pending in the Superior Court of the State of California, County of Los Angeles, Case No. 24STCV03746.

2. "Aggrieved Employees" means all employees who were or are currently employed by Defendant in California as ""non-exempt" employees against whom one or more the alleged violations of any provision in Division 2, Part 2, Chapter 1 of the Labor Code or any provision regulating hours and days of work in the applicable Industrial Welfare Commission ("IWC") Wage Order were committed, and/or as otherwise set forth or alleged in the Action, at any time between December 11, 2022, until judgment.

3. "Aggrieved Employee Released Claims" means any and all claims for the recovery for civil penalties, attorneys' fees and costs permissible under PAGA which Plaintiff and/or the Aggrieved Employees had, or may claim to have, against the Released Parties, arising out of the violations alleged both in the Complaint and the PAGA Notice or reasonably could have been alleged based on the facts contained in the both the Complaint and the PAGA Notice, including but not limited to, allegations regarding failure to provide compliant meal and rest breaks, failure to pay them all premium wages owed for short, late or missed meal and rest breaks or periods, failure to pay all wages owed at discharge or resignation; failure to provide complete and accurate wage statements; failure to reimburse necessary business-related expenses; and violations of Labor Code §§ 201, 202, 203, 204, 204b, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698, 2699, and 2699.3, California Business & Professions Code § 17200 *et seq.*, and all claims under the governing IWC Wage Orders (collectively, the "Released Claims"). This release shall apply to claims arising during the PAGA Period.

4. "Aggrieved Employee Information" means information regarding the Aggrieved Employees that Defendant shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner in electronic format to the Settlement Administrator.

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Aggrieved Employee Information shall include each Aggrieved Employee's full name, last known address, Social Security Number, and total number of Pay Periods worked.

5. "Attorneys' Fees and Costs" means attorneys' fees and costs approved by the Court for Plaintiff's Counsel's litigation and resolution of this Action.

6. "Defendant" means Southern California Conference of Seventh-day Adventists.

7. "Effective Date" means the last to occur of the following: (a) if there are no objections to the settlement, then the date of approval by the Court; (b) if there are objections to the settlement, and if an appeal, review or writ is not sought from the order granting approval of the settlement, the 31st day after service of notice of entry of the order; or (c) if an appeal, review or writ is sought from the order, the day after the order is affirmed or the appeal, review or writ is dismissed or denied, and the order is no longer subject to further judicial review. Prior to the effective date of the settlement, Defendant will not be required to fund this settlement, in whole or in part, through the Settlement Administrator or any third party. Defendant will fund the settlement within 30 days of the Effective Date, and claims administrator will distribute the fund installments within 30 days of receipt.

8. "Gross Settlement Amount" is the amount of Three Hundred Thousand Dollars and Zero cents ($300,000.00), which is the maximum amount to be paid by Defendant pursuant to this Settlement Agreement. The Gross Settlement Amount includes the Plaintiff's Counsel's Fees and Costs and the Settlement Administration Costs, as specified in this Agreement. The Parties agree that Defendant will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount. The Parties agree that payments made to the Aggrieved Employees shall be classified as 100% non-taxable penalties and interest and that there is no portion of the settlement amount which constitutes wages and therefore no payroll taxes shall be due on any portion of the Gross Settlement Amount. The Parties also agree that none of the Gross Settlement Amount will revert to Defendant.[1]

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[1] The Parties executed a confidential settlement agreement to resolve Plaintiff's individual claims against Defendant. Thus, no PAGA Representative Enhancement Payment is being requested.

9. "Individual PAGA Payment" means each Aggrieved Employee's share of the PAGA Payment, distributed to the Aggrieved Employees on a *pro rata basis*, based upon their respective number of Pay Periods as defined herein.

10. "LWDA Payment" means the amount that the Parties have agreed to pay to the California Labor and Workforce Development Agency ("LWDA") in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698, *et seq*., "PAGA"). Pursuant to the PAGA, the Parties have agreed that seventy-five percent (75%) of the Net Settlement Amount shall be payable to the LWDA.

11. "Net Settlement Amount" means the Gross Settlement Amount less Plaintiff's Counsel's Fees and Costs, and the Settlement Administration Costs as specified in this Agreement. The Net Settlement Amount is estimated to be One Hundred Eighty-Three Thousand Dollars and Zero Cents ($183,000.00).

12. "Non-Exempt Employees" means employees who Defendant has classified as nonexempt from the overtime wage provisions of the California Labor Code.

13. "Notice of PAGA Settlement" means the Notice of PAGA Settlement, substantially in the form attached hereto as "**Exhibit 1**," which shall be mailed to Aggrieved Employees along with their Individual PAGA Payments checks.

14. "Objection" means any written objection to this Settlement sent by an Aggrieved Employee to the Settlement Administrator as specified herein and in the Notice of Settlement. An Objection to Settlement must be sent to the Settlement Administrator within the time limitations set forth in this Stipulation.

15. "Order and Judgment" means the order and judgment to be entered by the Court upon granting approval of the Settlement and this Stipulation as binding upon the Parties and the Aggrieved Employees.

16. "PAGA" means the California Labor Code Private Attorneys General Act of 2004.

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17. "PAGA Payment" means the amount the Parties have agreed to distribute among all Aggrieved Employees for settlement of claims for civil penalties under PAGA. Pursuant to the PAGA, the Parties have agreed that twenty-five percent (25%) of the Net Settlement Payment shall be distributed among all Aggrieved Employees.

18. "PAGA Period" means the period from December 11, 2022 (i.e., one year and 65 days before Plaintiff's lawsuit filing date) until judgment.

19. "Parties" means Plaintiff and Defendant collectively.

20. "Plaintiff" means Brenda Romero Aragon.

21. "Plaintiff's Counsel's Fees and Costs" means reasonable attorneys fees for Plaintiff's Counsel's litigation and resolution of this Action in an amount not to exceed 1/3 of the Gross Settlement Amount, plus Plaintiff's Counsel's expenses and costs reasonably incurred in connection with the Action in an amount not to exceed One Hundred Eleven Thousand Dollars and Zero Cents ($111,000.00).

22. "Plaintiff's Counsel" means Harout Messerlian, Esq. and Gina Hazarian, Esq. of MESSRELIAN LAW INC., 101 N. Brand Blvd., Suite 1450, Glendale, CA 91203.

23. "Plaintiff's Released Claims" means any and all claims, demands, rights, liabilities, and/or causes, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiff in the Action, or the heirs, successors, and/or assigns of Plaintiff, whether directly, indirectly, representatively, derivatively, or in any other capacity, against Defendant or any of the other Released Parties, arising at any time prior to execution of the instant Agreement, including all claims arising from and relating to Plaintiff's employment with Defendant or the separation thereof. Plaintiff's Released Claims include, but are not limited to, all claims for breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination in violation of public policy, infliction of emotional distress, negligent infliction of emotional distress, misrepresentation, fraud, negligent retention/supervision, assault, battery, claims under the Fair Credit Reporting Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the California Family Rights Act, the Fair Labor Standards Act, the California

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Labor Code, California Wage Orders, the Age Discrimination and Employment Act, the Employee Retirement Income Security Act of 1974, the California Business and Professions Code, the United States Constitution and/or the California Constitution. This also includes, but is not limited to, all claims for unpaid wages, meal period or rest period premiums, civil or statutory penalties, waiting time penalties, liquidated damages, and/or any and all other associated penalties, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 204b, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698, 2699, and 2699.3, California Business & Professions Code § 17200 *et seq.*, and all claims under the governing IWC Wage Orders, as well as any claims or potential claims for attorneys' fees, costs and/or interest, and/or any other claims relating to Plaintiff's employment with Defendant or the separation thereof. Nothing in this release will impact the Plaintiff's standing to serve as a PAGA representative in the Action. Plaintiff's Released Claims do not include any claims that cannot be released as a matter of law.

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In addition to Plaintiff's Released Claims, Plaintiff also expressly waives all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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 complete release and discharge of Plaintiff's Released Claims, Plaintiff expressly acknowledges that this Agreement is intended to include in its effect all claims which she does not know of or suspect to exist in her favor at the time of execution hereof and acknowledges that this Agreement contemplates the extinguishment of all such claims.

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24. "Released Parties" means Defendant together with its past, present, and/or future, officers, directors, employees, and agents.

25. "Settlement Administrator" means or any other third-party settlement administrator approved by the Parties and the Court for the purposes of administering this Settlement. The Parties each represent that they do not have a financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

26. "Settlement Administration Costs" includes all costs payable to the Settlement Administrator, Apex Class Action Administration, for administering this Settlement, including, but not limited to: (a) printing, distributing, and tracking Notice of PAGA Settlement and other documents for this Settlement; (b) tax reporting; (c) setting up the interest-bearing Qualified Settlement Fund ("QSF"); (d) distributing all payments to be made pursuant to this Settlement; and (e) providing necessary reports and declarations as requested by the Parties. The Settlement Administration Costs are currently estimated at Six Thousand Dollars and Zero Cents ($6,000.00).

27. "Settlement Approval Hearing" means the hearing to be conducted by the Court after Plaintiff files an appropriate motion for approval of this Settlement, at which time Plaintiff will request that the Court approve the Notice to the Aggrieved Employees, the fairness, reasonableness and adequacy of the terms and conditions of Settlement, enter the Order and Judgment, and take other appropriate action.

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TERMS OF AGREEMENT

Plaintiff, on behalf of herself and the Aggrieved Employees, and Defendant agree as follows:

28. Funding of the Gross Settlement Amount. Defendant will make a single payment of $300,000.00 into the QSF, which the Settlement Administrator will manage and establish, within thirty (30) days of the Effective Date. The Gross Settlement Amount will be used to pay: (a) the Attorneys' Fees and Costs to Plaintiff's Counsel; (b) the Settlement Administration Costs to the Settlement Administrator; (c) The LWDA Payment to the LWDA; and (d) the PAGA Payment to be distributed among all Aggrieved Employees.

29. Attorneys' Fees and Costs. Plaintiff's Counsel will seek an award of Attorneys' Fees and Costs of not more than $100,000.00 in attorney's fees (1/3 of the Gross Settlement Amount) and not more than $11,000.00 in attorneys' costs, and Defendant agrees not to oppose such application. All Attorneys' Fees and Costs will be paid from the Gross Settlement Amount. Plaintiff and Plaintiff's Counsel will not have the right to revoke this Settlement in the event the Court fails to approve the sum of Attorneys' Fees and Costs sought by Plaintiff's Counsel. Any portion of the Attorneys' Fees and Costs not awarded to Counsel will be added to the Net Settlement Amount.

30. Settlement Administration Costs. The Settlement Administrator, Apex Class Action Administration, will be paid for the reasonable costs of administration of the Settlement and distribution of payments. These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*: (a) the required tax reporting on the Individual PAGA Payments; (b) the issuing of 1099 IRS Forms; (c) preparing, distributing Notices of PAGA Settlement; (d) setting up the QSF; (e) calculating and distributing all payments to be made pursuant to the Settlement; and (f) providing necessary reports and declarations. The Settlement Administration Costs are currently estimated at $6,000.00. All the Settlement Administration Costs shall be paid from the Gross Settlement Amount upon completion of all duties required to be performed by the Settlement Administrator under the terms of this Settlement, or as otherwise required by the Court. Any portion of the Settlement Administration Costs not awarded to the Settlement Administrator will be added to the Net Settlement Amount.

31. LWDA Payment and PAGA Payment. Pursuant to the PAGA, the Parties have agreed that seventy-five percent (75%) of the Net Settlement Amount shall be payable to the LWDA (LWDA Payment) and twenty-five percent (25%) of the Net Settlement Payment shall be distributed among all Aggrieved Employees (the PAGA Payment).

32. Individual PAGA Payment Calculations. Individual PAGA Payments to Aggrieved Employees will be calculated and apportioned from the PAGA Payment, or twenty-five percent (25%) of the Net Settlement Amount (currently estimated at $45,750.00), based on the number of

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Pay Periods an Aggrieved Employee worked during the PAGA Period as a non-exempt employee in California. Calculations of Individual PAGA Payments will be made as such:

a. The Settlement Administrator will first calculate the total number of Pay Periods worked by each Aggrieved Employees as a non-exempt employee in California during the PAGA Period and the aggregate total number of Pay Periods worked by all Aggrieved Employees as non-exempt employees in California during the PAGA Period.

b. To determine each Aggrieved Employee's estimated Individual PAGA Payment, the Settlement Administrator will use the following formula: the PAGA Payment will be divided by the aggregate total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period, resulting in the Pay Period Value for Aggrieved Employees. Each Aggrieved Employee's Individual PAGA Payment will then be calculated by multiplying each individual Aggrieved Employee's total number of Pay Periods by the Pay Period Value for Aggrieved Employees.

c. The entire Net Settlement Amount will be disbursed as a LWDA Payment to the LWDA and Individual PAGA Payments to Aggrieved Employees. Additionally, all interest accrued from Defendant's payments into the QSF during the funding process and through distribution will be added to the Net Settlement Amount and the LWDA Payment and Individual Settlement Payments will be proportionally increased on a pro rata basis.

33. Settlement Administration Process. 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 administration of the Settlement. Defendant agrees to fund the QSF by making the above-described payment through the Settlement Administrator. The schedule and timing of this Settlement is intended for the QSF to be fully funded at the point in time following the Court's approval of the Settlement and the effective date of the Settlement, and after distribution of the approved payments has been approved and ordered by the Court.

34. Funding of the Qualified Settlement Fund. To facilitate the funding of the QSF for distribution as detailed above, Defendant will make a single payment of the Gross Settlement Amount of $300,000.00 into the QSF, which the Settlement Administrator will manage and

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establish, within thirty (30) days of the Effective Date. The Settlement Administrator will notify Defendant's counsel of the account information to which Defendant will wire or otherwise provide payment into the QSF to fund the Gross Settlement Amount. Upon establishing the QSF, the Settlement Administrator will maintain the fund through Settlement approval and settlement administration.

35. Delivery of the Aggrieved Employee Information List. Within fourteen (14) calendar days of entry of the Court's Order Granting Settlement Approval, Defendant will provide the Aggrieved Employee Information List to the Settlement Administrator.

36. Confirmation of Contact Information in the Aggrieved Employee Information List and Undeliverable Notices. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice of PAGA Settlement returned to the Settlement Administrator as non-deliverable will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto, and the Settlement Administrator will indicate the date of such re-mailing on the Notice of PAGA Settlement.

37. Notice by First-Class U.S. Mail. Within ten (10) days after the Settlement Administrator receives the list of Aggrieved Employees from Defendant, the Settlement Administrator will mail a Notice of PAGA Settlement to all Aggrieved Employees via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the list.

38. Disputed Information in the Notice of PAGA Settlement. In determining each Aggrieved Employee's number of Pay Periods, Defendant's pay period data will be presumed to be correct, unless an Aggrieved Employee proves otherwise by providing credible documentary evidence. All disputes concerning Pay Periods will be resolved and decided by the Settlement Administrator. The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual PAGA Payment under the terms of this Stipulation. The Settlement Administrator's determination of the eligibility for and amount of each Individual PAGA Payment shall be binding upon the Aggrieved Employee and the Parties, yet subject to review by Plaintiff's Counsel, Defendant's Counsel and the Court.

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39. Distribution and Timing of Payments. Within thirty (30) days after Defendant has fully funded the QSF with the Gross Settlement Amount, the Settlement Administrator will issue payments to: (a) all Aggrieved Employees, including any Aggrieved Employee whose Notice of PAGA Settlement was returned as undeliverable; (b) Plaintiff's Counsel; and (c) the LWDA. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement. The Settlement Administrator will pay the Individual PAGA Payments from the PAGA Payment, or the twenty-five percent (25%) portion of the Net Settlement Amount (currently estimated at $45,750.00), to all Aggrieved Employees. The Settlement Administrator will submit these payments by sending a check in the appropriate amount to the Aggrieved Employee at the address indicated in the list of Aggrieved Employees' names and addresses provided by Defendant, or as subsequently determined by the Settlement Administrator to be correct.

40. Uncashed Settlement Checks. Aggrieved Employees will receive checks for their Individual PAGA Payments. Checks will remain negotiable for one hundred eighty (180) calendar days ("Check-Cashing Deadline"). Any check not cashed within one hundred eighty (180) calendar days will be void. The funds from the uncashed checks shall be distributed by the Settlement Administrator to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et seq.*, for the benefit of those Aggrieved Employees who did not cash their checks until such time that they claim their property. No later than ten (10) calendar days after the expiration of the 180-day period, the Settlement Administrator shall deposit the total amounts contained in the settlement checks to the Controller of the State of California.

41. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and the Parties' counsel.

42. Allocation of Individual PAGA Payments. All Individual PAGA Payments will be allocated as one hundred percent (100%) penalties. The Settlement Administrator will be

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responsible for issuing Aggrieved Employees an IRS Form 1099 if the Eligible Aggrieved Employee's Individual Settlement Payment exceeds $600.

43. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Aggrieved Employees and Plaintiff's Counsel tax forms as may be required by law for all amounts paid pursuant to this Settlement.

44. Tax Liability. Defendant makes 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 Defendant or by the Settlement Administrator in this regard. Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will defend, indemnify, and hold Defendant free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages.

45. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS PARAGRAPH, 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 WILL 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, HER, 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

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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.

46. 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.

47. Nullification of Settlement Agreement. If the Court does not approve the Settlement as provided herein, 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.

48. Motion for Approval of PAGA Settlement. Plaintiff shall file a Motion for Approval of PAGA Settlement and request that a Settlement Approval Hearing be conducted to determine whether to grant approval of the Settlement, including determining the amounts properly payable for: (i) the Plaintiff's Counsel's Fees and Costs; (ii) Settlement Administration Costs; and (iii) the LWDA Payment.

49. Judgment and Continued Jurisdiction. The Parties agree that following entry of the Final Order and Judgment, this Settlement Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing jurisdiction of the Action and over all Parties and Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement. This Settlement Agreement may be pleaded or asserted by or on behalf of Defendant or the Released Parties as a defense and complete bar to any action or claim that may be brought against or involve Defendant and/or the Released Parties by anyone acting or purporting to act on behalf of Plaintiff and/or the Aggrieved Employees with respect to any matters

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within the scope of this Settlement Agreement and excepting only the obligations of the Parties under this Settlement Agreement.

50. General Release by Plaintiff. In consideration for the consideration set forth in this Agreement, Plaintiff, for herself, her heirs, successors and assigns, does waive, release, acquit and forever discharge the Released Parties, from any and all claims, demands, rights, liabilities, and/or causes, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiff in the Action, or the heirs, successors and/or assigns of Plaintiff, whether directly, indirectly, representatively, derivatively or in any other capacity, against Defendant or any of the other Released Parties, arising at any time prior to execution of the instant Agreement, including all claims arising from and relating to Plaintiff's employment with Defendant or the separation thereof. Plaintiff's Released Claims include, but are not limited to, all claims for breach of contract, breach of the covenant of good faith and fair dealing, wrongful termination in violation of public policy, infliction of emotional distress, negligent infliction of emotional distress, misrepresentation, fraud, negligent retention/supervision, assault, battery, claims under the Fair Credit Reporting Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the California Family Rights Act, the Fair Labor Standards Act, the California Labor Code, California Wage Orders, the Age Discrimination and Employment Act, the Employee Retirement Income Security Act of 1974, the California Business and Professions Code, the United States Constitution or the California Constitution.

This also includes, but is not limited to, all claims for unpaid wages, meal period or rest period premiums, civil or statutory penalties, waiting time penalties, liquidated damages, and all other associated penalties, including but not limited to claims under California Labor Code section 2698 *et seq.*, Labor Code sections 201, 202, 203, 204, 204b, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698, 2699, and 2699.3, any applicable IWC wage order, Business and Professions Code section 17200, *et seq.*, as well as claims or potential claims for attorneys' fees and costs and interest, and any other claims relating to Plaintiff's employment with Defendant or the separation thereof. Nothing in this release will

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impact the Plaintiff's standing to serve as PAGA representatives in the Action. Plaintiff's Released Claims do not include any claims that cannot be released as a matter of law.

In addition to Plaintiff's Released Claims, Plaintiff also expressly waive all rights and benefits under the terms of section 1542 of the California Civil Code. Section 1542 reads as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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 complete release and discharge of Plaintiff's Released Claims, Plaintiff expressly acknowledge that this Agreement is intended to include in its effect all claims which they do not know of or suspect to exist in their favor at the time of execution hereof and that this Agreement contemplates the extinguishment of all such claims.

51. Release by All Aggrieved Employees. Plaintiff and all Aggrieved Employees, on behalf of himself or herself, his or her heirs, descendants, dependents, executors, administrators, assigns, and successors, fully and finally release and discharge the Released Parties from any and all of the Released Claims within the PAGA Period. This waiver and release will be final and binding on the Effective Date and will have every preclusive effect permitted by law. Plaintiff and Aggrieved Employees may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the Released Claims. The discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released Claims. By virtue of this Agreement, Plaintiff and Aggrieved Employees shall be deemed to have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Released Claims. The Parties understand and agree that the scope of the release described in this paragraph: (a) is a material part of the consideration for this Agreement; (b) was critical in justifying the agreed upon economic value of this settlement and without it Defendant would not have agreed to the consideration provided; and (c) is narrowly

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drafted and necessary to ensure that Defendant is obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts, causes of action, and legal theories contained in the operative complaints in the Action.

52. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

53. Publicity Agreement. Plaintiff and Plaintiff's Counsel agree not to disclose or publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except potential Aggrieved Employees and as shall be contractually required to effectuate the terms of the Settlement. For the avoidance of doubt, this paragraph means Plaintiff and Plaintiff's Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. But for the limited purpose of allowing Plaintiff's Counsel to prove adequacy as counsel in other actions, Plaintiff's Counsel may disclose the name of the Parties and the venue/case number of this Action (but not any other settlement details).

54. No Unalleged Claims. Plaintiff and Plaintiff's Counsel represent that they are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the operative complaints in this Action. Plaintiff and Plaintiff's Counsel will further represent that, other than the instant Action, they have no current intention of asserting any other claims against Defendant in any judicial or administrative forum. Plaintiff and Plaintiff's Counsel will further represent that they

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do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant. The Parties further acknowledge, understand, and agree that the representations described in this paragraph are essential to the Settlement and that this Settlement would not have been entered into were it not for this representation.

55. Entire Agreement. This Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. This provision has no application or impact on any arbitration agreements, confidentiality agreements, employee handbooks and/or policies executed by Plaintiff and/or the Aggrieved Employees during his or her employment with Defendant, which remain in full force and effect.

56. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument signed by the Parties' counsel or their successors-in-interest. Court approval is required for modifications to the Settlement Agreement.

57. Authorization to Enter into the Settlement Agreement. The Parties' counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement. 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 Settlement, the Parties shall refer the matter to a mediator for resolution.

58. Binding on Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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

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60. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement 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 if the Parties' counsel will exchange among themselves original signed counterparts.

61. Acknowledgement that the Settlement Agreement is Fair and Reasonable. The Parties believe this Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, considering all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

63. Waiver of Certain Appeals. The Parties agree to waive appeals for purposes of this Settlement only. Plaintiff or Plaintiff's Counsel may appeal any reduction in Plaintiff's Counsel's Fees and Costs that are below the amount they request from the Court, and either Party may appeal any court order that materially alters the Settlement Agreement's terms.

64. Non-Admission of Liability. The Parties enter this Settlement to resolve the dispute and/or disputes that have arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering this Settlement, Defendant does not admit, and specifically denies, that it: (a) violated any federal, state, local or other law; (b) violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; (c) breached any contract; (d) violated or breached any duty; (e) engaged in any misrepresentation or deception; or (d) engaged in any other unlawful conduct with respect to their employees. Neither this Settlement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such

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alleged violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

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

66. Enforcement Action. If 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, including expert witness fees incurred in connection with any enforcement actions.

67. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, this Settlement 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 arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

68. Representation By Counsel. The Parties acknowledge they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement and that this Settlement has been executed with the consent and advice of counsel.

69. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

70. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

71. Binding Agreement. The Parties warrant they understand and have full authority to enter this Settlement and further intend that this Settlement will be fully enforceable and binding

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on all Parties. The Parties also agree that this Settlement 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.

SO AGREED AND STIPULATED.

Dated: 6/3/2026

PLAINTIFF

ID ZrePVAeKmj4p23tgcZeh18F

Brenda Romero Aragon

Dated: 6/1/2026

DEFENDANT

Kathleen V Diaz

Digitally signed by Kathleen V Diaz
Date: 2026.06.01 14:56:45 -07'00'

Southern California Conference of Seventh-day Adventists
By:
Title:

Dated: 6/4/2026

VARNER & BRANDT LLP

By:

Richard D. Marca
Matthew B. Neufeld
Attorneys for Defendant,
SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS

Dated: 6/3/2026

MESSRELIAN LAW INC.

By:
ID J7gvHzHJXE7g87YKhZwCx83t

Harout Messrelian
Attorneys for Plaintiff,
BRENDA ROMERO ARAGON

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<<Mailing Date>>

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

Re: Individual Settlement Payment from *Brenda Romero Aragon v. Southern California Conference of Seventh-day Adventists*
Los Angeles County Superior Court, Case No. 24STCV03746

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

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Check"). This check is your payment from the settlement of a lawsuit entitled *Brenda Romero Aragon v. Southern California Conference of Seventh-day Adventists,* Case No. 24STCV03746 ("the Action"), pending in the Superior Court of California for the County of Los Angeles ("Court").

The lawsuit was filed by Brenda Romero Aragon ("Plaintiff"), a former employee of Southern California Conference of Seventh-day Adventists ("Defendant"), on behalf of the State of California with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendant violated multiple provisions of the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay for all hours worked, pay all minimum wages, pay all overtime wages, provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize or permit lawful rest breaks or provide rest premium compensation in lieu thereof, reimburse necessary business expenses, timely pay all wages during employment and upon separation of employment, keep accurate and complete payroll records, and provide compliant wage statements. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant within the State of California between December 11, 2022, through ________ ("PAGA Employees").

On ____________, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between December 11, 2022, through ________ ("PAGA Period"). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. 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.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means and refers to Defendant together with its past, present, and/or future officers, directors, employees, and agents. The "Released Claims" means all PAGA claims for civil penalties alleged, or reasonably could have been alleged, based on the facts alleged in the Complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period against Defendant for failure to compensate all wages earned; failure to pay overtime wages; failure to pay minimum wages; failure to provide meal periods; failure to provide rest breaks; failure to provide accurate, itemized wage statements; failure to maintain records; failure to reimburse and indemnify business expenses; and failure to pay all wages during employment and upon termination, including but not limited to claims for PAGA civil penalties arising from California Labor Code sections 201, 202, 203, 204, 204b, 226, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698, 2699, and 2699.3, and California Business & Professions Code section 17200 et seq, and all claims under the governing Industrial Welfare Commission Wage Orders. **By cashing your Individual Settlement Check, you are not giving up any right to sue for damages arising out of any individual claims that you may have against Defendant.**

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do <u>not</u> call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at Apex Class Action Administration << CONTACT INFORMATION>>.

EXHIBIT 2

CLASS ACTION ADMINISTRATION

Quotation Request:	**Case Name:**	**Aragon v. SCCSDA**
	Date:	Wednesday, May 27, 2026
Harout Messrelian	RFP Number:	201880032
Messrelian Law		

Prepared By:
Michael Sutherland
Apex Class Action LLC
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321.223.5067

Settlement Specifications	
Number of Aggrieved Employees	**670**
Certified Language Translation:	**No**
Static Settlement Website	**No**
Percentage of Undeliverable Mail	**20%**

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	$125.00	2	$250.00
Data Analyst	Per Hour	$150.00	2	$300.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of $150/hr.				
			Sub Total:	$550.00
Project Management				
Project Management	Per Hour	$150.00	2	$300.00
Project Coordinator	Per Hour	$90.00	2	$180.00
Data Analyst and Reporting	Per Hour	$140.00	2	$280.00
			Sub Total:	$760.00
Toll-Free Contact Center, Website, Reporting & Pre-Distribution				
Form Set Up	Per Hour	$120.00	1	$120.00
Bilingual Toll-Free Contact Center	Static Rate	$100.00	1	$100.00
NCOA Address Update (USPS)	Static Rate	$134.00	1	$134.00
Settlement Status Reports	Static Rate	$750.00	1	Waived
			Sub Total:	$354.00

APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Distribution & Settlement Fund Management				
Settlement Calculations	Per Hour	$120.00	3	$360.00
Account Management and Reconciliation	Per Hour	$140.00	3	$420.00
Print & Mail Distribution Settlement Check (IRS Form 1099 if applicable)	Per Piece	$1.25	670	$837.50
USPS First Class Postage	Per Piece	$0.73	670	$489.10
Remail Distribution to Updated Address (Skip Trace)	Per Piece	$2.00	67	$134.00
Individual Income Tax Preparation & Reporting	Per Hour	$100.00	8	$800.00
QSF Income Tax Reporting (per calendar year)	Per Year	$120.00	1	$120.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	$350.00	1	$350.00
			Sub Total:	$3,510.60
Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	$135.00	2	$270.00
Project Management Reconciliation	Per Hour	$100.00	2	$200.00
Declarations	Per Hour	$120.00	2	$240.00
			Sub Total:	$710.00
			ESTIMATED COST:	$5,884.60
			CAPPED COST:	$6,000.00

Thank you for your business!

APEX
CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In the event of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (I) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the party's concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of $1.50 per storage box for paper documents and $0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 3