SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement" or "Settlement") is made and entered into between Plaintiff Gudelia Cruz ("Plaintiff"), acting in a private attorney general capacity on behalf of the California Labor and Workforce Development Agency, and Defendant Reiter Brothers, Inc. ("Defendant" or "Reiter Brothers") (collectively, the "Parties").

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matter titled *Gudelia Cruz v. Reiter Brothers, Inc.,* Ventura County Superior Court, Case No. 2024CUOE019469, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter") dated November 8, 2023, and September 27, 2024.

2. "Aggrieved Employees" consist of all current and former non-exempt employees who worked for Reiter Brothers in California at any time during the PAGA Period. The number of Aggrieved Employees, including Plaintiff, is estimated to be approximately 5,617 individuals.

3. "Settlement Administrator" means ILYM Group, Inc.

4. "Complaint" means the operative complaint in the Action, which is the First Amended Representative Action Complaint.

5. "Court" means the Superior Court of California for the County of Ventura.

6. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

7. "LWDA" means the California Labor and Workforce Development Agency.

8. "Gross Settlement Amount" is the non-reversionary sum of One Million Eight Hundred Thirty Thousand Dollars and Zero Cents ($1,830,000.00), which represents the total amount payable under this Settlement Agreement by Reiter Brothers (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's enhancement payment, and payment to the Settlement Administrator for administration costs.

9. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiff's attorneys' fees up to one third of the Gross Settlement Amount; (b) Plaintiff's litigation costs up to $30,000.00; (c) Plaintiff's enhancement payment up to $5,000.00; and (d) settlement administration costs up to $18,000.00.

10. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

11. "PAGA Period" means the time period from November 8, 2022, through the date of the Court Order granting approval of the PAGA Settlement.

12. "PAGA Released Claims" means all claims, rights, demands, liabilities and causes of action for PAGA civil penalties that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Action. These include, but are not limited to, PAGA civil penalties based on the alleged violations of Labor Code §§ 201-204, 226, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, and 2804. The PAGA Released Claims do not include any Aggrieved Employee's individual claim for wages or damages.

13. "Plaintiff's Counsel" means Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC.

14. "Released Parties" means Reiter Brothers and its former, present and future officers, directors, employees, and agents.

II. RECITALS

1. Plaintiff performed work for Reiter Brothers as a non-exempt employee in California during the PAGA Period and is therefore an Aggrieved Employee.

2. On November 8, 2023, Plaintiff provided written notice to the LWDA and Reiter Brothers asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and her intent to file a civil lawsuit under the PAGA. On November 8, 2023, Plaintiff filed an arbitration demand with the American Arbitration Association ("AAA") pursuant to an agreement signed during her employment with Reiter Brothers. On January 16, 2024, after exhausting her administrative requirements for bringing a claim under the PAGA, Plaintiff filed a Representative Action Complaint, titled *Gudelia Cruz v. Reiter Brothers, Inc.,* Ventura County Superior Court, Case No. 2024CUOE019469, asserting one cause of action for civil penalties under the PAGA.

3. On September 27, 2024, Plaintiff provided supplemental written notice to the LWDA and Reiter Brothers asserting further claims for civil penalties pursuant to PAGA stemming from alleged violations of additional Labor Code sections. On January 13, 2025, after exhausting her administrative requirements for bringing additional claims under the PAGA, Plaintiff filed the operative First Amended Representative Action Complaint, which added additional claims for PAGA civil penalties.

4. Reiter Brothers denies, and continues to deny, each and every claim and contention alleged in the Action, and has always maintained that it has never engaged in any unlawful acts regarding any of the matters alleged in the Action.

5. In response to Plaintiff's Counsel's discovery requests, both formal and informal, Reiter Brothers provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the claims prior to mediation.

6. On May 6, 2025, the Parties participated in mediation before mediator Henry J. Bongiovi, Esq. With the assistance of Mr. Bongiovi, the Parties agreed to fully and finally resolve Plaintiff's individual and representative PAGA claims.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. Non-Admission. Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that her claims do not have merit, or an admission by Reiter Brothers that Plaintiff's claims do have merit, or of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees or any other person. In particular, but without limiting the generality of the foregoing, nothing about this Settlement shall be offered or construed as an admission that Reiter Brothers violated any obligations under the California Labor Code, applicable Industrial Welfare Commission Wage Orders, or Business and Professions Code, or of liability in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever. Reiter Brothers specifically disclaims and denies any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. Gross Settlement Amount. Reiter Brothers shall pay One Million Eight Hundred Thirty Thousand Dollars and Zero Cents ($1,830,000.00) as the non-reversionary Gross Settlement Amount. Reiter Brothers will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Reiter Brothers shall deposit the Gross Settlement Amount into a Qualified Settlement Account and, assuming the Settlement Administrator has timely established such account, Reiter Brothers agrees to fund the settlement as follows: (1) $300,000.00 will be deposited into the Qualified Settlement Account on or before October 31, 2025; and (2) the balance of the Gross Settlement Amount, $1,530,000.00, will be deposited into the Qualified Settlement Account on or before February 16, 2026.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiff's attorneys' fees and litigation costs; (3) Plaintiff's enhancement payment; and (4) Settlement administration costs.

3. Escalator Clause. Reiter Brothers represents that there are approximately 179,440 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 15% greater than this number (i.e., if there are more than 206,356 Affected Pay Periods), Reiter Brothers shall have the option to (i) increase the Gross Settlement Amount in proportion to the increase in Affected Pay Periods over and above 15% (e.g., if the number of Affected Pay Periods is 17% greater than 179,400, Reiter Brothers will increase the Gross Settlement Amount by 2%); or (ii) agree to close the PAGA Period as of the date on which the total number of pay periods reaches 206,356 instead of having the PAGA Period end on the date that the Court enters an order granting approval of this Settlement.

4. **Net Settlement Amount**. The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. Plaintiff's Attorneys' Fees and Costs. Reiter Brothers will not oppose Plaintiff's request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be $610,000.00) and costs up to $30,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for attorneys' fees and costs). Reiter Brothers, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Plaintiff's Enhancement Payment. Reiter Brothers will not oppose Plaintiff's request for an enhancement payment of up to $5,000.00 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiff may appeal an order granting less than the full amount sought for Plaintiff's enhancement payment). Reiter Brothers, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Reiter Brothers will not oppose the Settlement Administrator's costs in the amount up to $18,000.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Reiter Brothers, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator. If the Settlement Administrator's costs exceed $18,000.00, then such excess will be paid solely from the Gross Settlement Amount and Reiter Brothers will not be responsible for paying any additional funds in order to pay these additional costs.

5. **Allocation of Net Settlement Amount**. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. **PAGA Released Claims**. Plaintiff agrees that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiff and the State of California will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiff and the State of California will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. <u>Covenants and Representations by Plaintiff and Plaintiff's Counsel</u>.

a. Plaintiff represents and warrants that she has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiff acknowledges that she has read this Settlement Agreement, that she fully understands her rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that she has had the opportunity to consult with her attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. <u>Confidentiality</u>. Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's counsel may reference the Action by referencing only "Anonymous" and case number in a declaration establishing adequacy as representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(l)(2).

9. <u>Motion for Approval of PAGA Settlement and Request for Dismissal of Individual Claims</u>. As a condition of settlement, Plaintiff shall be responsible for promptly preparing and filing the Motion for Approval of the PAGA Settlement.

10. <u>Termination of Settlement Agreement</u>. If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

11. <u>Judgment</u>. As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. Settlement Administrator. The Parties agree to engage ILYM Group, Inc. to handle the administration of this settlement.

2. Provision of Information for Aggrieved Employees. Within forty-five (45) business days after entry of an order approving the settlement, Reiter Brothers shall provide the Settlement Administrator with information for Aggrieved Employees. Reiter Brothers will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of pay periods worked during the PAGA Period, and Social Security numbers to the extent available from Reiter Brothers's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within 30 (30) calendar days of receiving the Aggrieved Employees' information from Reiter Brothers, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. Explanatory Letter and Individual PAGA Payments. Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiff's Counsel and Defendant's counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken. None of the payments called for by this Settlement are to be treated as earnings, wages, pay, or compensation for the purpose of any applicable benefit or retirement plan, unless expressly required by such plans.

Reiter Brothers shall be deemed to fully discharge its obligations under this Settlement to Aggrieved Employees to whom a check is mailed, regardless of whether such checks are actually received and/or negotiated by the recipient.

Neither Plaintiff nor Reiter Brothers, nor their respective counsel, shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

4. **Undeliverable Notices**. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall be sent to the State Controller's Office Unclaimed Property Division in the name of the aggrieved employee.

5. **Distribution of Payments**. Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiff for the Court-approved enhancement payment, and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Reiter Brothers pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting**. Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences**. Neither Plaintiff nor Reiter Brothers, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement. Aggrieved Employees are responsible for correctly characterizing compensation under this Settlement Agreement for tax purposes and paying any taxes owing on said amounts. The Administrator shall issue employees IRS 1099 Forms reflecting payment issued to them under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Drafting**. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors**. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees**. The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law**. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Ventura, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Ventura.

5. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement**. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction**. As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

9. **Authorization to Enter into Settlement Agreement**. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect 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 may seek the assistance of the mediator (Steve Mehta) or the Court to resolve such disagreement.

10. **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. To facilitate execution and delivery of this Agreement, the parties may execute and exchange by facsimile or electronic image (i.e., as a ".pdf" file) counterparts of the signature pages and/or sign by electronic means (i.e., with DocuSign).

11. **Acknowledgement that the Settlement is Fair and Reasonable**. The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. 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.

12. **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.

13. **Severability**. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

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

15. **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement 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.

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

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

18. 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.

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

20. Deadlines Falling on Weekends or Holidays. To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

IN WITNESS THEREOF, the Parties each acknowledge that she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: 7/16, 2025

Gudelia Cruz

Gudelia Cruz, Plaintiff

REITER BROTHERS, INC.

Dated: __________, 2025

By:
Its:

prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

18. **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.

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

20. **Deadlines Falling on Weekends or Holidays.** To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

IN WITNESS THEREOF, the Parties each acknowledge that she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: __________, 2025

____
Gudelia Cruz, Plaintiff

REITER BROTHERS, INC.

Dated: 7/14/25, 2025

Signed by:
Eric Reiter
1B9D9D4CE183404...
Eric Reiter, Vice President

APPROVED AS TO FORM:

Dated: July 16, 2025

HAINES LAW GROUP, APC

By: ______________________

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff Gudelia Cruz

Dated: __________, 2025

NOLAND, HAMERLY, ETIENNE & HOSS

By: ______________________

Ana C. Toledo
Attorneys for Defendant Reiter Brothers, Inc.

APPROVED AS TO FORM:

Dated: __________, 2025

HAINES LAW GROUP, APC

By: ___________________________________
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff Gudelia Cruz

Dated: July 9, 2025

NOLAND, HAMERLY, ETIENNE & HOSS

Signed by:
Ana C. Toledo
B2F3D381918F449...

By: ___________________________________
Ana C. Toledo
Attorneys for Defendant Reiter Brothers, Inc.

EXHIBIT A

Re: ***Gudelia Cruz v. Reiter Brothers, Inc.***
Superior Court of California Ventura County; Case No. 2024CUOE019469

Date: __/__/2025

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Gudelia Cruz v. Reiter Brothers, Inc.*, Ventura Superior Court, Case No. 2024CUOE019469, pending in the Superior Court of the State of California for the County of Ventura (the "Action").

The Action was filed against Reiter Brothers, Inc. ("Reiter Brothers") and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The Action was brought by Plaintiff Gudelia Cruz ("Ms. Cruz"), a current employee of Reiter Brothers, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Ms. Cruz claimed that Reiter Brothers violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide compliant meal and/or rest breaks, failing to reimburse employees for necessary business expenditures, and failing to provide employees with itemized wage statements. Reiter Brothers disputes all of Ms. Cruz's allegations and denies that it engaged in any of the alleged misconduct. The parties have reached a settlement of Ms. Cruz's representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Reiter Brothers who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Reiter Brothers does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Ms. Cruz's contentions. The Court has not decided the merits of Ms. Cruz's claims or Reiter Brothers' defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be sent to the State Controller's Office Unclaimed Property Division in your name. If you are still employed by Reiter Brothers, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Ms. Cruz's complaint in the Action, during the time period November 8, 2022 through <THE DATE OF THE ORDER APPROVING THE PAGA SETTLEMENT> (the "PAGA Period").

If you have any questions, you can contact ILYM Group, Inc., the Settlement Administrator, at 1-___-____.