PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff and Defendant.

1. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

1.1. "Action" means: Plaintiffs' representative action lawsuit alleging wage and hour violations captioned, *James House and Jonathan Walteros Osorio v. Walters Wholesale Electric Co.*, Los Angeles County Superior Court Case No. 23STCV27402, which was initiated on November 7, 2023.

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

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount as reimbursement for its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with preliminary approval of the Settlement.

1.4. "Aggrieved Employees" means all individuals who were employed by Defendants in the State of California and classified as non-exempt employees during the PAGA Period.

1.5. "Court" means the Los Angeles Superior Court for the State of California.

1.6. "Defendant" means Walters Wholesale Electric Co.

1.7. "Defense Counsel" means Ostergar Lattin Julander, LLP.

1.8. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on the Final Approval Order; and (b) the Judgment is final. The Judgment is final as of the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.9. "Final Approval Order" means the Court's order granting final approval of the Settlement.

1.10. "Final Approval Hearing" means the Court's hearing on the motion for final approval of the Settlement.

1.11. "Gross Settlement Amount" means Three Hundred and Seventy Thousand dollars and Zero cents ($370,000.00), which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 4.1 below. The Gross Settlement Amount will be used to pay, Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.13. "Judgment" means the judgment entered by the Court based upon the Final Approval Order.

1.14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699(i).

1.15. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699(i).

1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA counsel attorneys' fees, LWDA Payment, and settlement administration costs. The remainder will be distributed to the Aggrieved Employees.

1.17. "Operative Complaint" means the First Amended Complaint filed by Plaintiff on October 29, 2024.

1.18. "PAGA Counsel" means Kane Moon and Daniel Park of Moon Law Group, PC and Daniel Hyun of Torus, LLP.

1.19. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.20. "PAGA Period" means the period from November 7, 2022, through the Court's approval of the PAGA Settlement.

1.21. "PAGA" means the Private Attorneys General Act, Labor Code sections 2698, *et seq.*

1.22. "PAGA Notice" means Plaintiff's November 5, 2023, letter to the LWDA providing notice pursuant to Labor Code section 2699.3(a), and any amendments thereto under this Agreement.

1.23. "PAGA Penalties" means the total amount of $370,000.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA

1.24. "Parties" means Plaintiffs and Defendant collectively or individually as "Party."

1.25. "Plaintiffs" means James House and Jonathan Walters Osorio, the named plaintiffs in the Action.

1.26. "Released PAGA Claims" means the claims being released as described in Paragraph 5.2 below.

1.27. "Released Parties" means: (i) Defendant; (ii) any parent, subsidiary, or affiliate of Defendant; (iii) any past or present officer, director or employee of the entities described in (i)-(ii), in their individual and official capacities; and (iv) any past or present predecessors, parents, subsidiaries, affiliates, owners, shareholders, members, managers, benefit plans, operating units, divisions, agents, representatives, officers, directors, partners, employees, fiduciaries, insurers, attorneys, successors or assigns of the entities described in (i)–(iii).

1.28. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1. On November 7, 2023, Plaintiff James House commenced this Action by filing a Complaint alleging causes of action for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; and (8) Unfair Business Practices.

2.2. On November 13, 2023, Plaintiff Johnathan Walteros Osorio commenced this Action by submitting notice of Labor Code violations ("PAGA Notice") to the Labor and Workforce Development Agency ("LWDA") online and by certified mail to Defendant. Additionally, Plaintiff Osorio filed a Complaint alleging (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; and (8) Unfair Business Practices.

2.3. On February 22, 2024, Plaintiff Osorio filed a First Amended Complaint adding a cause of action for civil penalties under PAGA (Cal. Lab. Code § 2699, *et seq.*).

2.4. Pursuant to Labor Code section 2699.3(a), Plaintiff gave timely written notice to the LWDA by sending the PAGA Notice (see 2.2.).

2.5. On or around July 29, 2024, Plaintiff Osorio filed a request for dismissal without prejudice of his Class Claims and agreed to jointly prosecute the instant PAGA Action with Plaintiff House.

2.6. On or about October 29, 2024, Plaintiffs filed a First Amended Complaint consolidating the claims of Plaintiff House and Plaintiff Osorio.

2.7. The Parties participated in an all-day mediation with Hon. Carl West, which led to this Agreement to settle the Action.

2.8. Prior to mediation, Plaintiffs obtained, through informal discovery information regarding Aggrieved Employees (*e.g.*, the number of Aggrieved Employees, PAGA Pay Periods, *etc.*), payroll and time records for Plaintiffs and a sampling of Aggrieved Employees, and Defendant's policies and procedures that applied to Aggrieved Employees during the PAGA Period. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 4.1 below, Defendant agrees to pay Three Hundred and Seventy Thousand dollars and Zero cents ($370,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To PAGA Counsel. A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred and Twenty-Three Thousand Three Hundred and Thirty-Three dollars and Thirty-Three cents ($123,333.33) and a PAGA Counsel Litigation Expense Payment of not more than $30,000.00. Defendant will not oppose requests for the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expense Payment provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file a motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment no later than twenty-eight (28) days prior to the Final Approval Hearing. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties will have no liability to PAGA Counsel or any other plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099

Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of the PAGA Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment.

3.2.2. To the Administrator. An Administrator Expenses Payment not to exceed ($6,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less or the Court approves payment less than ($6,000.00), the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of $210,666.67 ($370,000 - $123,333.33 - $30,000 - $6,000 = $210,666.67) to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

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

4.2. 4.2. Aggrieved Employee Data. Not later than twenty-one (21) days after the Court grants Approval of the Settlement, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. The Aggrieved Employee will included the following information for each Aggrieved Employee: (1) Name, (2) Social Security Number, (3) last known address, and (4) number of PAGA Pay Periods. (To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Plaintiffs' Counsel if it discovers that the Aggrieved Employee Data omitted aggrieved employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data

4.3. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment will not precede disbursement of Individual PAGA Payments.

4.3.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check will prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.3.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator will transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384(b).

4.3.4. The payment of Individual PAGA Payments will not obligate Defendants to confer any additional benefits or make any additional payments to Aggrieved Employees (*e.g.,* 401(k) contributions, bonuses, *etc.*) beyond those specified in this Agreement.

5. RELEASE OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount; Plaintiffs, Aggrieved Employees, and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiffs' Releases. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, pursuant to separate, individual settlement agreements for settlement of their respective individual claims, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims related to their employment with Defendant and/or the Released Parties; (b) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and/or PAGA Notice, and ascertained during the Action; and (c) all PAGA claims that were, or reasonably could have been alleged based on facts contained in the Operative Complaint and/or PAGA Notice, and ascertained during the Action and released under 6.2, below ("Plaintiffs' Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release will be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code section 1542. For purposes of Plaintiffs' Releases, Plaintiffs, pursuant to their separate, individual settlement agreements for settlement of their respective individual claims, expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that 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.

5.2. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts and claims alleged in the Operative Complaint and/or PAGA Notice, and ascertained in the course of the Action, including claims for: (i) failure to pay minimum and straight wages; (ii) failure to pay overtime wages; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to timely pay final wages during employment and at termination; (vi) failure to provide accurate itemized wage statements; (vii) failure to indemnify employees for expenditures; (viii) unfair business practices; (ix) unlawful time rounding; (x) failure to pay overtime, break premiums, and sick pay at the regular rate of pay; (xi) alleged violation of Labor Code sections 201, 202, 203, 204, 204b, 210, 216, 218, 218.5, 218.6, 223, 226, 226.3, 226.7, 432, 510, 512, 551, 552, 558, 1174, 1174.5, 1771, 1774, 1776, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, 2804, and any applicable Industrial Welfare Commission Wage Orders.

6. REQUEST FOR APPROVAL.

The Parties agree to jointly prepare and timely file a Request seeking Approval of the Settlement ("Request for Approval") that complies with the Court's current checklist for Approvals.

6.1. Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Approval, including: (i) a draft of the notice, and memorandum in support, and a request for approval of the PAGA Settlement under Labor Code Section 2699(f)(2); (ii) a draft proposed Approval Order; (iii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve, competency, operative procedures for protecting the security of Aggrieved Employee Data, amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance, all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees, and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees and the Administrator; (v) a signed declaration from PAGA Counsel attesting to their competency to represent the Aggrieved Employees, their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3(a), Operative Complaint (Labor Code section 2699(l)(1), this Agreement (Labor Code section 2699(l)(2); and (vi) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees, the Administrator and/or the Cy Pres Recipient.

6.2. Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Request for Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Request for Approval; and for appearing in Court to advocate in favor of the Request for Approval. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

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

6.4. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of: (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters; and (iii) addressing such post-Judgment matters as are permitted by law.

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

6.6. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Aggrieved Employees), this Agreement will be null and void. The Parties will nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain final approval of the Settlement and entry of Judgment. An appellate decision to vacate, reverse, or modify the Court's award of any payments to PAGA Counsel will not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

7. SETTLEMENT ADMINISTRATION.

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

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

7.3. Notice to Aggrieved Employees.

7.3.1. No later than three (3) business days after receipt of the Aggrieved Employee Data ("Data"), the Administrator will notify PAGA Counsel that the list has been received and state the number of Aggrieved Employees, and PAGA Pay Periods in the Data.

7.3.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Data, the Administrator will send to all Aggrieved Employees identified in the Data, via first-class United States Postal Service ("USPS") mail a Notice prominently estimating the dollar amounts of any Individual PAGA Payment payable to the Aggrieved Employee, and the number of PAGA Pay Periods used to calculate this amount. Before mailing Notices, the Administrator will update Aggrieved Employee addresses using the National Change of Address database.

7.3.3. Not later than three (3) business days after the Administrator's receipt of any Notice returned by the USPS as undelivered, the Administrator will re-mail the Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator will conduct an Aggrieved Employee Address Search, and re-mail the Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Notice to Aggrieved Employees whose Notice is returned by the USPS a second time.

7.3.4. The deadlines for Aggrieved Employees' challenges to PAGA Pay Periods, will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Notice for all Aggrieved Employees whose notice is re-mailed. The Administrator will inform the Aggrieved Employee of the extended deadline with the re-mailed Notice.

7.3.5. If the Administrator, the Parties, PAGA Counsel, or Defense Counsel are contacted by, or otherwise discover, any persons who believe they should have been included in the Data and should have received Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Aggrieved Employees. If the Parties agree, such persons will be Aggrieved Employees entitled to the same rights as other Aggrieved Employees, and the Administrator will send, via email or overnight delivery, a Notice requiring them to raise any PAGA Pay Period challenges not later than fourteen (14) days after receipt of Notice, or the deadline dates in the Notice, which ever are later.

7.4. <u>Challenges to Calculation of PAGA Pay Periods</u>. Each Aggrieved Employee will have forty-five (45) days after the Administrator mails the Notice (plus an additional fourteen (14) days for Aggrieved Employees whose Notice is re-mailed) to challenge the number of PAGA Pay Periods allocated to the Aggrieved Employee in the Notice. The Aggrieved Employee may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Aggrieved Employee to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the PAGA Pay Periods contained in the Notice are correct so long as they are consistent with the Data. The Administrator's determination of each Aggrieved Employee's allocation of PAGA Pay Periods will be final and not appealable or otherwise susceptible to challenge. The Administrator will promptly provide copies of all challenges to the calculation of PAGA Pay Periods to Defense Counsel and PAGA Counsel, and the Administrator's determination of the challenges.

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

7.5.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Aggrieved Employees including copies of the Agreement, Request for Approval, the Approval Order, the Notice, the Motion for PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment, the Final Approval Order and Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Aggrieved Employee calls, faxes, and emails.

7.5.2. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to PAGA Counsel and Defense Counsel that, among other things, tally the number of: PAGA Notices mailed or re-mailed, PAGA Notices returned undelivered, challenges to PAGA Pay Periods received and/or resolved, and checks mailed for Individual PAGA Payments ("Weekly Report").

7.5.3. PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Aggrieved Employee challenges over the calculation of PAGA Pay Periods. The Administrator's decision will be final and not appealable or otherwise susceptible to challenge.

7.5.4. Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the motion for final approval of the Settlement, the Administrator will provide to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Notice, the Notices returned as undelivered, the re-mailing of Notices, attempts to locate Aggrieved Employees, and the number of written PAGA Pay Period challenges. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. PAGA Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.5.5. Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide PAGA Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

8. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

9. ADDITIONAL PROVISIONS.

9.1. No Admission of Liability, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Final Approval of the Settlement and/or does not enter Judgment, representative treatment will immediately be set aside, subject to further proceedings on a motion of any Party to certify representative treatment or deny representative treatment thereafter. Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for representative treatment on any grounds available and to contest Defendant's defenses. The Parties' willingness to stipulation to representative treatment as part of the Settlement will have no bearing on and will not be admissible in or considered in connection with, the issue of whether representative treatment should be granted in a non-settlement context in this Action or in any context in any other lawsuit. Additionally, the Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and/or this Agreement).

9.2. Benefits of Settlement to Plaintiffs and Aggrieved Employees. Plaintiffs and PAGA Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Plaintiffs have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and PAGA Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages for the Aggrieved Employees. Plaintiffs and PAGA Counsel have also taken into account the extensive settlement negotiations conducted. Based on the foregoing, Plaintiffs and PAGA Counsel have determined that the Settlement is a fair, adequate, and reasonable settlement, and is in the best interests of the Aggrieved Employees.

9.3. Defendant's Reasons for Settlement. Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of time and resources of Defendant has been and, unless this Settlement is approved, will continue to be devoted to the defense of the claims asserted by Plaintiffs and Aggrieved Employees. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Agreement. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no action taken to carry out this Agreement may be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted. The monies being paid as part of the Settlement are genuinely disputed and the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement.

9.4. Confidentiality Prior to Preliminary Approval. Plaintiffs, PAGA Counsel, Defendant and Defense Counsel separately agree that, until the Request for Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, PAGA Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Request for Approval, any with third-party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict PAGA Counsel's communications with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

9.5. Press Release. Plaintiffs and Aggrieved Employees agree not to issue a press release or otherwise notify the media about the terms of the Settlement or advertise or market any of the terms of the Settlement through written, recorded, or electronic communications. Plaintiffs and PAGA Counsel agree that, if they are contacted regarding this Action, they will only state that the Action exists and has been resolved. This provision is not intended to, and does not, limit PAGA Counsel from responding to questions from and providing advice to the Aggrieved Employees regarding the Settlement after Approval.

9.6. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Aggrieved Employee to challenge the number of PAGA Pay Periods, or appeal from the Judgment. Nothing in this paragraph will be construed to restrict PAGA Counsel's ability to communicate with Aggrieved Employees in accordance with PAGA Counsel's ethical obligations owed to Aggrieved Employees.

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

9.8. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

9.9. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

9.10. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

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

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

9.13. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

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

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

9.16. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information will survive the execution of this Agreement.

9.17. Use and Return of Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Data provided to PAGA Counsel by in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs will destroy, all paper and electronic versions of Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Data.

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

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

9.20. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:
Kane Moon
kmoon@moonlawgroup.com
Daniel Park
dpark@moonlawgroup.com
Jaeyoung Lee
jlee@moonlawgroup.com
MOON LAW GROUP
725 S. Figueroa St., Ste. 3100
Los Angeles, California 90017
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Daniel J. Hyun
daniel@torusllp.com
David Alami
david@torusllp.com
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2 Park Plaza, Suite 1260
Irvine, California 92614
Telephone: (949) 590-4122

To Defendants:
John E. Lattin
jlattin@ostergar.com
OSTERGAR LATTIN JULANDER, LLP
9110 Irvine Center Drive
Irvine, CA 92618
Telephone: (949) 305-4590

9.21. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement will be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

9.23. Fair Settlement. The Parties, PAGA Counsel, and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

Dated: 12/18/2024

Signed by:
James House
193D73E0AD1F4E8...

Plaintiff James House

Dated: 01/07/2025

Jonathan Walteros Osorio (Jan 7, 2025 11:48 PST)

Plaintiff Jonathan Walteros Osorio

Dated: 01/14/2025

Defendant Walters Wholesale Electric Co.

Steven R Valcourt President

MOON LAW GROUP, PC

Dated: 12/18/2024

By: ______________________
Kane Moon
Daniel Park
Jaeyoung Lee
Attorneys for Plaintiff James House

TORUS, LLP

By: ______________________
Daniel J. Hyun
David Alami
Attorneys for Plaintiff Jonathan Walteros Osorio

OSTERGAR LATTIN JULANDER, LLP

Dated: 1/14/2025

By: ______________________
John E. Lattin
Attorneys for Defendant