

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act (“PAGA”) Settlement Agreement and Release (the “Agreement”) is made by and between Cesar Cortes (“Plaintiff”), on behalf of himself and each of the other alleged “Aggrieved Employees,” as defined herein, on the one hand, and Jant Incorporated, and Tania Marie Warchol (collectively referred to hereafter as “Defendants”) on the other hand. Plaintiff and Defendants are referred to hereafter collectively as the “Parties” and each a “Party.” Through this Agreement the Parties hereby resolve the action entitled CESAR CORTES, individually and in his representative capacity on behalf of all Aggrieved Employees, Plaintiffs v. JANT INCORPORATED, a California corporation, TANIA MARIE WARCHOL, an individual, and DOES 1 through 50, Defendants, San Diego Superior Court Case No. 37-2024-00009179-CU-OE-CTL (the “Action”).

1. **DEFINED TERMS**

In addition to the defined terms referenced above, as used herein, the following terms are defined as:

- 1.1. The term “AE Data” or “AE Information” means information regarding Aggrieved Employees that Defendants will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as Microsoft Excel Spreadsheets or .csv, or any other format reasonably requested by the Settlement Administrator, and shall include: Aggrieved Employees’ full name, last known address, Social Security Number, dates of employment, and number of Compensable Pay Periods worked during the Settlement Period. This spreadsheet and/or the information set forth therein shall not be shared with PAGA Counsel, but instead be treated as confidential by the Settlement Administrator.
- 1.2. The term “Aggrieved Employees” means all current and former non-exempt employees Defendant employed in the State of California at any time during the Settlement Period.
- 1.3. The term “Aggrieved Employee Address Search” means the Settlement Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip

traces, and direct contact by the Settlement Administrator with Aggrieved Employees.

- 1.4. The term “Approval Order” means the Order granting approval of the Parties’ Stipulation in a form substantially similar to the Proposed Approval Order attached as Exhibit A hereto.
- 1.5. The term “Attorneys’ Fees Award” means the amount authorized by the Court to be paid to PAGA Counsel or their assigns for their services rendered in prosecuting the Action, which shall be paid from the Gross Settlement Fund and shall not exceed thirty five percent (35%) of the Gross Settlement Fund, or \$68,250.
- 1.6. The term “Attorneys’ Cost Award” means the amount allocated to PAGA Counsel or their assigns for reimbursement of actual expenses incurred by PAGA Counsel to prosecute the Action, if approved by the Court, which shall be paid from the Gross Settlement Fund and shall not exceed fourteen thousand dollars (\$14,000.00).
- 1.7. The term “Compensable Pay Periods” means the pay periods worked by the Aggrieved Employee(s) during the Settlement Period based on Defendants’ records and used as a value to calculate Individual PAGA Payments.
- 1.8. The term “Court” as used herein means the Superior Court of California, San Diego County.
- 1.9. The term “Day” means calendar day, unless expressly stated otherwise.
- 1.10. The term “Defense Counsel” means Ferris & Britton, APC.
- 1.11. The term “Effective Date” will be the last to occur of the following: (a) the date that the Court’s enters an Approval Order approving the Settlement not subject to further judicial review; or (b) if an appeal, review, or writ is sought from the Court’s order granting approval of the Settlement, the day after such order is affirmed, and/or the appeal, review, writ, or order is no longer subject to further judicial review. At no time will Defendant have any obligation to fund the Settlement, in whole or in part, until after this Effective Date.

- 1.12. The term “Gross Settlement Fund” means One Hundred Ninety Five Thousand Dollars and No Cents (\$195,000.00) that will be used to fund the Qualified Settlement Fund. The Gross Settlement Fund includes all Individual PAGA Payments, the Attorneys’ Fees Award, Attorneys’ Cost Award, the Settlement Administration Costs, PAGA Representative Award, and the PAGA Payment to the Labor and Workforce Development Agency (“LWDA”).
- 1.13. The term “Individual PAGA Payment” means the Aggrieved Employee’s pro-rata share of 25% of the PAGA Payment calculated according to the number of PAGA Pay Periods worked by each individual Aggrieved Employee during the Settlement Period, pursuant to Section 6 of this Agreement.
- 1.14. The term “LWDA” means the California Labor and Workforce Development Agency.
- 1.15. The term “Net Settlement Proceeds” means the funds from the Qualified Settlement Fund available to be distributed to Aggrieved Employees under this Agreement after payment of the Attorneys’ Fees Award, Attorneys Cost Award, PAGA Representative Award and the Settlement Administration Costs. To the extent the Court does not approve the full requested amounts of Attorneys’ Fees, Attorneys’ Costs, PAGA Representative Award or Settlement Administration Costs, the Net Settlement Fund will adjust accordingly.
- 1.16. The term “Notice Packet” refers collectively to the documents mailed to the Aggrieved Employees pursuant to the terms of this Agreement, and includes the following: (1) Notice of PAGA Settlement (Exhibit B); (2) check for Individual PAGA Payment.
- 1.17. The term “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.18. The term “PAGA Counsel” means Pancer Law Corporation and Abramson Labor Group.
- 1.19. The term “PAGA Payment” means the Net Settlement Fund, inclusive of the Individual PAGA Payment and PAGA Payment to LWDA, in full satisfaction of the Released Claims as defined below. Pursuant to the PAGA,

Seventy-Five Percent (75%) of the PAGA Payment will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees as Individual PAGA Payments pro-rata. This PAGA Payment is made pursuant to Labor Code §2699(i).

- 1.20. The term “PAGA Payment to LWDA” means seventy five percent (75%) of the PAGA Payment that shall be paid to the LWDA pursuant to Labor Code section 2699, subd. (i).
- 1.21. The term “Pay Periods” means the number of pay periods worked by the Aggrieved Employees during the Settlement Period.
- 1.22. The term “PAGA Representative” means Plaintiff Cesar Cortes.
- 1.23. The term “PAGA Representative Award” means the payment approved by the Court to the PAGA Representative for initiating this Action and providing services in support of the Action. The PAGA Representative Award shall be paid from the Gross Settlement Fund and shall not exceed seven thousand five hundred dollars (\$7,500). In the event the Court does not approve of a PAGA Representative Award in this Action or otherwise decreases the amount, the amount allocated towards the PAGA Representative Award shall revert to the Net Settlement Fund, which shall not be deemed a material modification to the Agreement. Neither Plaintiff nor PAGA Counsel shall challenge the enforceability of this Agreement, or withdraw from the Settlement, due to the Court’s modification or rejection of the PAGA Representative Award.
- 1.24. “Qualified Settlement Fund” shall be the fund established and administered by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 in connection with the Settlement.
- 1.25. The term “Released Parties” shall mean Defendants Jant Incorporated and Tania Warchol and each of their former and present directors, officers, shareholders, owners, partners, members, principals, employees, heirs, trustees, fiduciaries, attorneys, insurers and reinsurers, accountants, administrators, agents, consultants, predecessors, successors, assigns, parents, subsidiaries and affiliates, related entities, and parent companies, jointly and severally.

1.26. The term “Settlement” means the settlement described in this Agreement.

1.27. The term “Settlement Administration Costs” means all Settlement Administrator fees and costs incurred in administering the Settlement, which will be paid from the Gross Settlement Amount in accordance with the Settlement Administrator’s flat fee estimate of \$4,000 submitted to the Court in connection with the motion to approve the settlement.

1.28. The term “Settlement Administrator” means Phoenix Settlement Administrators or any other firm that the Parties mutually agree shall be responsible for the administration of the Settlement, pursuant to the terms of this Agreement.

1.29. The term “Settlement Period” means the following time period: February 28, 2023 to October 29, 2024.

2. SCOPE, PURPOSE, AND BENEFITS OF THE SETTLEMENT

2.1. On February 27, 2024, PAGA Counsel sent the PAGA Notice letter to Defendants and the LWDA. Plaintiff initiated his Action on February 28, 2024 in San Diego Superior Court, alleging claims for 1) failure to pay state minimum wage, regular wages, and overtime wages; 2) failure to pay state overtime wages; 3) failure to timely pay wages; 4) meal and rest break violations; 5) inaccurate wage statements; 6) failure to maintain payroll records; 7) failure to comply with California sick pay law; 8) miscellaneous labor code provisions; and 9) alter ego liability. Defendants deny the allegations in the Action, deny any failure to comply with the laws identified in the Action and deny any and all liability for the causes of action alleged.

2.2. On October 29, 2024, the Parties participated in an all-day mediation presided over by the Honorable Ronald Prager which led to this Agreement to settle the Action.

2.3. Prior to mediation, PAGA Counsel obtained, through written discovery, time and payroll data, responses to special interrogatories, Defendant’s written policies and procedures, and Plaintiff’s personnel file. Plaintiff’s 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*”)

- 2.4. At all times, Defendants have denied and continue to deny any wrongdoing and deny that they committed, or attempted to commit, any of the wrongful acts or violations of law or duty that are alleged in the Action, and instead contend that they have acted in accordance with the law. Defendants also deny that Plaintiff or the Aggrieved Employees are entitled to any form of damages, penalties, or any relief whatsoever based on the conduct alleged in the Action and PAGA Notice. In addition, Defendants maintain that they have meritorious defenses to the claims alleged in the Action and were prepared to vigorously defend the Action. Nevertheless, taking into account the uncertainty and risks inherent in litigation, Defendants have concluded that defending the claims asserted in the Action would be burdensome and expensive, and that it is desirable and beneficial to fully and finally settle and terminate the Action in the manner and upon the terms and conditions set forth in this Agreement.
- 2.5. Plaintiff believes that the claims asserted in the Action and PAGA Notice have substantial merit. Nonetheless, Plaintiff and PAGA Counsel recognize and acknowledge the expense and length of continued prosecution of the claims against Defendants through trial and any subsequent appeals. Plaintiff and PAGA Counsel have also taken into account the uncertain outcome and risks of litigation, especially in complex actions, as well as the difficulties and delays inherent in such litigation. Based on their evaluation, PAGA Counsel have concluded that the terms and conditions of this Agreement are fair, reasonable, and adequate to the Aggrieved Employees, and that it is in the best interests of the Aggrieved Employees to settle the claims alleged in the Action and PAGA Notice pursuant to the terms and provisions of this Agreement
- 2.6. As detailed below, this Agreement establishes a procedure to resolve all claims for penalties, attorneys fees, costs, and interest under PAGA arising out of or in any way relating to the facts giving rise to the claims in the Action, directly or indirectly, or claims that they have alleged or that could have been alleged based on the facts alleged in the Action. The Parties believe that continued litigation would be protracted, expensive, uncertain, and contrary to their best interests. In light of these realities, the Parties believe that this Settlement is the best way to resolve the disputes between them.

2.7. The Parties believe this Agreement constitutes a fair, adequate, and reasonable settlement of the Action and have arrived at this Agreement in arms-length negotiations, following a mediation before mediator Hon. Ronald Prager (ret.), taking into account all relevant factors, present and potential, and will so represent to the Court. This Settlement was reached after extensive informal discovery and negotiations. In addition, the Parties have conducted significant investigation of the facts and law concerning the Action. The Parties have also investigated the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiff and potential defenses thereto, and the civil penalties claimed by Plaintiff.

3. JURISDICTION

The Court has jurisdiction over the Parties and the subject matter of this dispute. The Action includes claims that, while Defendants deny them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the California laws cited therein. If the Settlement is approved, the Court will retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

4. STATEMENT OF NO ADMISSION

4.1. The Parties agree that this Agreement reflects their good faith compromise of the claims raised by Plaintiff, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel. This Agreement does not constitute, is not intended to constitute, and will not be deemed to constitute, an admission of liability by Defendants as to the merits, validity, or accuracy of any of the allegations or claims made against it in the Action.

4.2. Neither this Agreement, nor any action taken or made in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to the Agreement, is intended by the Parties (nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding) as evidence of any violation of

any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, the Agreement may be used in any proceeding that has as its purpose the interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the Court entered into in connection therewith.

4.3. Evidence produced or created by the Parties in connection with the Settlement procedure do not constitute, are not intended to constitute, and will not be deemed to constitute, an admission by Defendants of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

4.4. In the event that this Settlement is not approved by the Court, is terminated, or otherwise fails to be enforceable, Defendants will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Action.

5. WAIVER, RELEASE, AND DISMISSAL

5.1. Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims that were alleged, or reasonably could have been alleged, during the Settlement Period based on facts stated in the Action and PAGA Notice, including, 1) failure to pay state minimum wage, regular wages, and overtime wages; 2) failure to pay state overtime wages; 3) failure to timely pay wages; 4) meal and rest break violations; 5) inaccurate wage statements; 6) failure to maintain payroll records; 7) failure to comply with California sick pay law; 8) miscellaneous labor code provisions; and 9) alter ego liability as against Defendants based on the facts alleged in the Action during the Settlement Period. 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, or based on occurrences outside the Settlement Period. Plaintiff acknowledges that Plaintiff may discover claims or facts or law different from, or in addition to, those which Plaintiff now knows or believes to be true or exist but Plaintiff expressly agrees, nonetheless, to fully, finally and forever settle and release any and all claims against the Released Parties,

known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendants. The Parties further acknowledge, understand and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment.

5.2. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes 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.

5.3. Release and Waiver of Claims by Aggrieved Employees. Upon the Effective Date, all Aggrieved Employees, and their former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall be deemed to have fully and finally released and discharge Defendants and each of their past or present Released Parties, from the "Released Claims." For purposes of this Agreement, the "Released Claims" are defined as all claims for penalties, attorneys fees, costs or interest recoverable under PAGA arising out of or in any way relating to the circumstances giving rise to any of the claims in the Action, directly or indirectly, or claims for redress under PAGA that have been alleged or that could have been alleged based on the facts or claims alleged in the Action, predicated upon the alleged failure of Defendants to comply with or provide Aggrieved Employees with compensation or penalties as required by state law, including claims and potential claims for penalties recoverable under PAGA concerning: (i) the failure to pay wages, including failure to pay minimum wages, regular wages, straight time compensation, overtime compensation, and double-time compensation; (ii) the failure to provide compliant meal periods and/or meal premiums or compensation; (iii) the failure to provide compliant rest periods and/or rest period premiums or compensation; (iv) the failure to timely pay all wages owed during

employment; (v) the failure to timely pay all wages owed upon separation of employment; (vi) the failure to provide accurate or compliant itemized wage statements; (vii) the failure to maintain any required records; (viii) for violation of California's sick pay laws; (ix) misclassification; (x) the failure to identify all required items on wage statements; (xi) any and all potential claims for penalties recoverable under PAGA predicated upon Labor Code §§ 96(k), 98.6, 200, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205., 205.5, 206, 206.5, 208, 209, 210, 212, 213(d), 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225.5, 226, 226.3, 226.6, 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, 231, 232(c), 232.5(c), 233, 234, 246, 246.5, 247, 247.5, 248.5, 256, 351, 353, 403, 404(b), 432, 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 558, 558.1, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, 1153, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.3, 1198.5, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, 1695, 1695.5(a), 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1777.5, 1815, 2651, 2673, 2673.1(a), 2695.2, 2800, 2801, 2802, 2806, 2810, 2810.5, 2929(b), 3073.6, 6310, 6311, 6399.7, any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission; and (x) any other PAGA penalty claims whatsoever alleged in the Action, whether known or unknown, from and including February 28, 2023 up to and including the date the Court approves the Settlement.

6. COMPUTATION AND DISTRIBUTION OF PAYMENTS

6.1 Gross Settlement Fund. The Gross Settlement Fund of One Hundred Ninety Five Thousand Dollars and No Cents (\$195,000.00) is on an all-in, non-reversionary basis to settle the Action and to resolve all claims, penalties, attorneys' fees, costs, administrative fees, and interest. In no event shall Defendants be liable for more than One Hundred Ninety Five Thousand Dollars and No Cents (\$195,000.00) as a result of this Settlement, and any of the attorneys' fees, costs, administrative fees, penalties, and sums specified in this Agreement shall be paid from this amount, except as otherwise noted in this Agreement. This Gross Settlement Fund amount of One Hundred Ninety Five Thousand Dollars and No Cents (\$195,000.00) has been agreed to by Plaintiff and Defendants. It is expressly understood that if the Court awards less than the total amounts requested by PAGA

Counsel to be awarded for attorneys' fees and costs and the PAGA Representative Award, the difference in any such amounts will be included in the PAGA Payment.

6.2 Escalator Clause. It was estimated for purposes of mediation that there were approximately 1,945 pay periods for the Settlement Period – the period from February 28, 2023 to October 29, 2024. If the total number of pay periods within the Settlement Period exceeds 1,945 by more than 5%, the settlement payment shall increase proportionally by the excess. For example, if the number of pay periods exceeds 1,945 by 6% then the settlement payment will increase by 1%. Alternatively, if Defendant wishes to close the Settlement Period earlier to bring the number of pay periods within the Settlement Period below 1,945 then the settlement payment can remain at \$195,000.00. Defendants will provide a sworn declaration stating the number of pay periods in the PAGA period.

6.3 Deposit of the Gross Settlement Fund Amount into the Qualified Settlement Fund. Not later than sixty (60) days following the Effective Date, Defendant shall deposit one half (1/2) of the Gross Settlement Fund into the Qualified Settlement Fund. Not later than one hundred eighty (180) days following the Effective Date, Defendants shall deposit the remaining one half (1/2) of the Gross Settlement Fund into the Qualified Settlement Fund. At no time will Defendant have any obligation to make that deposit or otherwise fund the Settlement, in whole or in part, until after the Effective Date. All payments that that are required to be made pursuant to the Agreement shall be made from the Qualified Settlement Fund.

6.4 Distribution Formula. The Settlement Administrator shall distribute the PAGA Payment to the LWDA and Individual PAGA Payments as described in this Section 6.4.

Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Payment will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees.

The Parties have agreed that the Net Settlement Proceeds less the PAGA Payment to the LWDA shall be divided up and paid to the Aggrieved Employees on a pro-rata basis based on the number of pay periods that each Aggrieved Employee worked during the Settlement Period divided by the total number of pay periods worked by all Aggrieved Employees during the Settlement Period, multiplied by 25% of the PAGA Payment. The Settlement Administrator's determination of eligibility for, and the amounts of, any Individual PAGA Payments under the terms

of this Agreement, shall be conclusive, final, and binding on all Aggrieved Employees, including Plaintiff.

For tax purposes, all Individual PAGA Payments will constitute penalties and will be reported on an IRS Form-1099, which the Settlement Administrator will provide to Aggrieved Employees if necessary, as required by law. No person or entity shall have any claim against Defendant, Defendant's counsel, Plaintiff, any Aggrieved Employees, PAGA Counsel, or the Settlement Administrator based upon distributions and payments made in accordance with this Agreement.

6.5 Distribution to the Aggrieved Employees. Individual PAGA Payments shall be paid out of the Net Settlement Proceeds pursuant to the Distribution Formula set forth in Section 6.4 of this Agreement.

Not later than 21 (twenty one) days following the Effective Date, Defendant shall send the AE Data to the Settlement Administrator.

Not later than seven (7) days following receipt of the AE Data, the Settlement Administrator shall email the Parties confirming receipt of the Group List and stating the number of Aggrieved Employees and the number of Pay Periods included therein.

Within 14 days after Defendant funds the full Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Settlement Administration Costs Payment, the Attorneys Fee Award, Attorneys Cost Award, and PAGA Representative Service Payment. Disbursement of the Attorneys Award Payment, Attorneys' Cost Award payment and the PAGA Representative Award Payment shall not precede disbursement of Individual PAGA Payments.

The Settlement Administrator shall mail via U.S. First Class mail, postage prepaid, each Individual PAGA Payment to each Aggrieved Employee's last known address with directions to the Postmaster to deliver the checks to any applicable forwarding address and to return all undeliverable checks to the Settlement Administrator. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. The date of the initial mailing of the check shall be conclusively determined according to the records of the Settlement Administrator. The face of each check shall prominently state the date (not less than 180 days after the date of

mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date.

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

A letter substantially in the form of Exhibit “B” hereto will be included in the mailing of each Aggrieved Employee’s Individual PAGA Payment.

Individual PAGA Payments shall remain valid and negotiable for one hundred eighty (180) days from the date of their issuance. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 days after issuance will be tendered to the San Diego County Bar Foundation (www.sdcbf.org), a 501(c)(3) IRS tax-exempt entity granting funds to organizations providing legal services to the underserved and impoverished population in San Diego County.

Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Settlement 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.

6.6 Attorneys’ Fees and Costs. PAGA Counsel shall request, and Defendant will not oppose, an award of attorneys’ fees of up to thirty-five percent (35%) or Sixty Eight Thousand Two Hundred Fifty Dollars and Zero Cents (\$68,250.00) of the Gross Settlement Fund, and costs subject to court approval but not to exceed \$14,000. PAGA Counsel shall have the right to reimbursement for all actual costs incurred as approved by the Court, not to exceed \$14,000. The Attorneys’ Fees and Cost Award shall be binding on the Parties and shall not otherwise affect the validity of the Settlement. The Settlement Administrator shall issue an IRS Form 1099 to PAGA Counsel reflecting the awarded attorneys’ fees, costs and expenses. Should Plaintiff and/or PAGA Counsel request a lesser amount

for attorneys' fees than stated above and/or the Court approve a lesser amount, the difference shall be added to the PAGA Payment for distribution to the LWDA and Aggrieved Employees in accordance with Section 6.4, and PAGA Counsel will not be permitted to void or cancel the Settlement as a result of any such reduction in attorneys' fees. In consideration of the Attorneys' Fees and Cost Award, PAGA Counsel waives all claims to any further attorneys' fees and expenses in connection with the litigation of the Action. Plaintiff, PAGA Counsel, and Aggrieved Employees shall assume full responsibility and liability for the payment of taxes due on such awards.

The Attorney's Fees and Cost Award shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm for attorneys' fees, costs or expenses in the Action incurred by any attorney on behalf of Plaintiff and the Aggrieved Employees, and shall relieve the Released Parties and the Settlement Administrator of any other claims or liability to any other attorney or law firm for any attorneys' fees, costs and expenses to which any of them may claim to be entitled on behalf of Plaintiff and/or the Aggrieved Employees.

6.7 Settlement Administrator. The settlement administration costs will be payable from the Gross Settlement Fund. A Form 1099 – MISC, Box 7 shall be issued to the Settlement Administrator.

The Settlement Administrator shall calculate the portion of the PAGA Payment to be paid to the LWDA and the Individual PAGA Payments to be paid to the Aggrieved Employees in accordance with the terms and provisions of this Agreement; pay any applicable state and/or federal taxes; make payment to the LWDA and mail the Individual PAGA Payment checks to the Aggrieved Employees along with the letter substantially in the form of Exhibit "B," attached hereto; resolve any disputes regarding the calculation or application of the formula for determining the Individual PAGA Payments; issue 1099 forms; calculate and disburse any Attorneys' Fees and Cost Award and/or applicable taxes from the Gross Settlement Fund; and perform such other tasks necessary to effectuate the terms of this Agreement or as the Parties mutually agree or the Court orders the Parties to perform.

Any disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court.

7. INTEREST. The Gross Settlement Fund includes any and all interest accruals and no additional interest shall be due under any circumstances.

8. TAXATION

8.1 It shall be the sole obligation of Plaintiff, PAGA Counsel, and Aggrieved Employees to pay appropriate federal, state, and local income taxes on any amounts they receive under this Agreement that lawfully qualify as taxable income.

8.2 Neither the Parties nor their respective counsel provide or purport to provide any tax advice to the Aggrieved Employees in connection with this Agreement or otherwise. The Parties agree that they shall not rely upon any terms of this Agreement for the purpose of determining or avoiding federal, state, or local tax obligations.

9. COURT'S APPROVAL

9.1 Plaintiff will prepare and deliver to Defense Counsel a stipulation of settlement and proposed order to provide to the Court in seeking approval of the settlement. If the Court will not accept a stipulation without a motion, Plaintiff will be responsible for drafting moving papers and moving the Court for approval of the Settlement. The Parties agree to use their best efforts to obtain approval of the Settlement, consistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining the Court's approval of the Agreement in all respects. The Parties agree to a stay of all trial court proceedings in the Action, including but not limited to all pending deadlines (discovery or otherwise) that may currently apply to any party in the Action. The Parties also agree that in the event the Court does not approve the Settlement, the Parties will work in good faith to amend the Settlement to comport with the Court's instructions. PAGA Counsel is responsible for filing the stipulation within fifteen (15) days of full execution of the stipulation. In the event the Court requires filing of a motion for approval of the Settlement, PAGA Counsel shall reserve a hearing date for approval of the settlement within thirty (30) days of the date that full execution of this Agreement has occurred and PAGA counsel has learned that the Court requires a motion for approval of the Settlement.

9.2 In the event an appeal or petition for writ of mandamus is filed from the Court's order granting approval of the Settlement, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

10. PUBLICITY

The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the amount or terms of the Settlement. PAGA Counsel may respond to press inquiries by stating the matter has been resolved and refer the press to court filings. In addition, the Parties and their counsel agree that they will not engage in any advertising or distribute any marketing materials specifying any material terms relating to the Settlement of this case, including but not limited to any postings that mention or identify Defendant in any manner on any websites maintained by PAGA Counsel. No claims administrator shall host nor publish any website in association with this Settlement. Any communication about the Settlement to Aggrieved Employees before the Court-approved mailing will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming Court-approved notice.

Plaintiff is prohibited from discussing the terms of the Settlement with third parties other than (1) his immediate family members, (2) his accountants or lawyers as necessary for tax purposes, and (3) the California LWDA, DLSE or DIR until the Effective Date of this Agreement. With regard to the status of the claims Plaintiff made or could have made in the Actions, Plaintiff may communicate to others only that the matter was resolved by mutual agreement, and that he is not free to comment upon the terms until the Effective Date of this Agreement.

11. INAPPLICABILITY OF CALIFORNIA CIVIL PROCEDURE CODE SECTION 384

The Parties agree that California Civil Procedure Code (“CCP”) section 384 is not applicable to the Gross Settlement Fund. Neither Plaintiff nor PAGA Counsel shall take, or cause any other person to take, a position before the Court that CCP section 384 applies to the Gross Settlement Fund.

12. MISCELLANEOUS PROVISIONS

12.1 Headings. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

12.2 Interpretation of the Agreement. The Agreement will be interpreted and enforced under the laws of the State of California without regard to its conflict of law provisions.

12.3 Final Agreement. This Agreement constitutes the exclusive and final understanding and expression of all agreements between the Parties with respect to the resolution of the Action and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof. Plaintiff, on Plaintiff's own behalf and as a representative for the Aggrieved Employees, and Defendants enter into this Agreement based solely upon its terms and not in reliance upon any representations or promises other than those contained in this Agreement. The Agreement may be modified only by a writing signed by the Parties, or their successors, and approved by the Court.

12.4 Counterparts/Facsimile/Electronic. The Agreement may be executed in one or more actual, telecopied or electronic counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals. A signature on this Agreement delivered by facsimile or electronically shall be as legally binding as an original signature, although the Parties will provide original signatures to each other for their records.

12.5 Authority. Counsel for all Parties represent and warrant they are expressly authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effectuate the implementation of the Settlement. In the event 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 seek the assistance of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendants represent and warrant that they are authorized to sign this Agreement on behalf of Defendants.

12.6 No Effect on Employee Benefits. The Individual PAGA Payments paid to Plaintiff and the Aggrieved Employees shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Plaintiff or any Aggrieved Employee. The payment of the Individual PAGA Payments does not represent any modification of Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants. Further, any Individual

PAGA Payment shall not be considered “compensation” in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

12.7 No Injunctive Relief. Defendants shall not be required to enter into any consent decree, nor shall Defendants be required to agree to any provision for injunctive relief, or to modify or eliminate any of its personnel, compensation, or payroll practices, or adopt any new personnel, compensation, or payroll practices.

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

12.9 Cooperation and Drafting. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

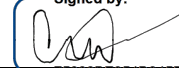
12.10 Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

12.11 Defense. To the extent permitted by law, this Settlement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceedings that may be instituted, prosecuted, or attempted with respect to the Released Claims in breach of or contrary to this Settlement.

WHEREFORE, Plaintiff, as representative of himself and Aggrieved Employees, and Defendant, have executed this Agreement as of the dates set forth below.

Dated: 2/26/2025

By

Signed by:


75088BE3540345D...
 CESAR CORTES

Dated: 2/28/2025

By

Tania Warchol

JANT INCORPORATED

by its president

Dated: 2/28/2025

By

Tania Warchol

TANIA MARIE WARCHOL

APPROVED AS TO FORM:

Dated: 2/26/2025

PANCER LAW CORPORATION

By



IAN PANCER

Attorneys for Cesar Cortes,
Aggrieved Employees, and the State of
California

Dated: 2/27/2025

FERRIS & BRITTON APC

By



ELYSSA K. KULAS, ESQ.

Attorneys for Jant Incorporated and Tania
Marie Warchol.

