

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Class Action and PAGA Settlement Agreement and Release of Claims
3 (“Agreement”) is entered into by and between Plaintiff Daniel Gonzalez, individually and on
4 behalf of all others similarly situated, and Defendant Vortex Industries, LLC subject to the terms
5 and conditions hereof and the Court’s approval.

6 **A. Definitions**

7 1. “Action” or “Lawsuit” refers to the case entitled *Daniel Gonzalez v. Vortex*
8 *Industries, LLC*, Case No. 24CV431369, currently pending in the Superior Court of the State of
9 California, County of Santa Clara.

10 2. “B&P Action” refers to the case entitled *Daniel Gonzalez v. Vortex Industries,*
11 *LLC*, Case No. 25CV465140, currently pending in the Superior Court of the State of California,
12 County of Santa Clara.

13 3. “Aggrieved Employees” include all persons who are or were employed by
14 Defendant in California and classified as non-exempt or hourly employees at any time during the
15 Class Period from February 23, 2023, through November 18, 2025, or the date the Court grants
16 preliminary approval, whichever is sooner.

17 4. “Agreement,” “Settlement Agreement,” “Settlement,” or “Stipulation” shall mean
18 this Class Action and PAGA Settlement Agreement and Release of Claims, including any
19 attached Exhibits.

20 5. “Class Claims” or “Released Class Claims” will include all claims, transactions,
21 or occurrences, including but not limited to: (a) all claims that were alleged, or reasonably could
22 have been alleged, based on the facts stated in the Complaints, including claims for (1) failure to
23 pay minimum, overtime, and sick wages; (2) failure to provide meal periods or pay a premium in
24 lieu thereof; (3) failure to authorize and permit rest periods or pay a premium in lieu thereof; (4)
25 failure to furnish accurate itemized wage statements; (5) failure to timely pay final wages at the
26 time of termination/end of employment; (6) failure to reimburse business expenses; (7) deceptive,
27 fraudulent, or otherwise unlawful business practices in violation of California’s Unfair
28 Competition Law (Bus. & Prof. Code, §§ 17200–17210); and (8) unlawful inclusion,

enforcement, or failure to provide statutory notice regarding non-compete, non-solicitation, or other restrictive covenants in violation of Business & Professions Code §§ 16600, 16600.1, and 16600.5. The Released Class Claims specifically include alleged violations of, without limitation, California Labor Code §§ 200–204, 210, 226, 226.3, 226.7, 227.3, 246, 248.5, 510, 512, 1182.12, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2698 et seq.; California Civil Code §§ 3287 and 3289; and California Business & Professions Code §§ 16600, 16600.1, 16600.5, and 17200–17210.

6. “Class Counsel” refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua Falakassa of Falakassa Law, P.C.

7. “Class Data” means a complete list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator on one spreadsheet and shall include the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and Pay Periods.

8. “Class Period” and “Class Release Period” shall mean August 1, 2021, through November 18, 2025, or the date the Court grants preliminary approval, whichever is sooner.

9. “Class Representative” or “Plaintiff” means the named Plaintiff in the complaint in the Action seeking Court approval to serve as Class Representative, also known as Daniel Gonzalez.

10. “Complaint” refers to the *Second Amended Complaint* filed in the Santa Clara County Superior Court action entitled *Daniel Gonzalez v. Vortex Industries, LLC*, Case No. 24CV431369, and the second action entitled *Daniel Gonzalez v. Vortex Industries, LLC*, Santa Clara Superior Court Case No. 25CV465140, alleging violations of California Business & Professions Code §§ 16600, 16600.1, 16600.5, and 17200, et seq. “Complaint” shall also include any subsequently filed Third Amended Complaint filed in the first action that will encompass all alleged claims.

11. “Court” means the California Superior Court, County of Santa Clara.

12. “Defendant” refers to Vortex Industries, LLC.

13. “Defendant’s Counsel” or “Defense Counsel” refers to Collin Cook and Harisson

Thorne of Fisher & Phillips, LLP.

14. "Effective Date" shall be the later of the following: (i) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters an order granting the motion for final approval of class settlement; (ii) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (iii) if any timely appeal(s) are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.

15. "Final" means that the Settlement has been granted "Final Approval" by the Court and the "Effective Date" has occurred.

16. "Final Approval" refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Settlement on substantially the same terms provided herein or as may be modified by subsequent agreement of the Parties or order of the Court.

17. "Final Settlement Class" and "Final Settlement Class Member" refer to all persons who are or were previously employed by Defendant in California classified as a non-exempt employee during the Class Period, and who do not opt out of the Settlement.

18. "Individual Settlement Amount" shall mean the Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Workweeks worked during the Class Period and/or the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties Payment, calculated according to the number of Pay Periods worked during the PAGA Period.

19. "Net Settlement Amount" shall mean the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Penalties Payment, the Incentive Award, attorneys' fees and costs to Class Counsel, and the Settlement Administration Fees. The remainder is to be paid to Participating Class Members as Individual Class Settlement Amounts.

20. "Notice" means the notice of the proposed settlement of Class Action and PAGA Settlement and the setting of a Final Approval Hearing that will be sent to the Settlement Class

Members.

21. “Notice Response Deadline” is 45 calendar days from the date the Notice is mailed to the Settlement Class Members.

22. “Objecting Settlement Class Member” means a Settlement Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with respect to the Class Claims pursuant to Paragraph 75(a) below.

23. “PAGA” shall refer to the California Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698-2699.5.

24. “PAGA Claims” or “Released PAGA Claims” means any and all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698–2699.5, that were alleged in the First Amended Complaint, the Second Amended Complaint, the Operative Complaint, or the PAGA Notice submitted to the California Labor and Workforce Development Agency (“LWDA”), or that reasonably could have been alleged based on the facts stated therein, during the PAGA Period. These include, without limitation, claims for civil penalties arising from the alleged failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant meal periods or pay premium wages in lieu thereof; failure to authorize and permit rest periods or pay premium wages in lieu thereof; failure to pay sick leave wages; failure to timely pay all wages due upon separation of employment; failure to furnish accurate, itemized wage statements; failure to reimburse necessary business expenses; and any unfair, unlawful, or deceptive business practices based on the foregoing conduct. The Released PAGA Claims specifically include alleged violations of, and civil penalties arising under, without limitation, California Labor Code §§ 200–204, 210, 226, 226.3, 226.7, 246, 510, 512, 1194, 1197.1, 1198, and 2802, as well as all applicable provisions of Labor Code §§ 2698–2699.5.

25. “PAGA Notice” shall refer to the notice sent by Plaintiff, by and through counsel, on or about February 22, 2024, to the LWDA and Defendant, alleging that Defendant engaged in violations of the California Labor Code and California Wage Order(s). “PAGA Payment” shall mean the 75% of the PAGA Penalties Payment paid to the LWDA, under Labor Code section

2699, subd. (i).

26. "PAGA Penalties Payment" shall mean One Hundred Thousand Dollars and Zero Cents (\$100,000.00), which is the total amount of PAGA civil penalties to be paid from the GSA, allocated 25% to the Aggrieved Employees (\$25,00.00) and 75% to LWDA (\$75,000.00) in settlement of the Released PAGA Claims.

27. "PAGA Period" and "PAGA Release Period" shall mean February 23, 2023, through November 18, 2025, or the date the Court grants preliminary approval, whichever is sooner.

28. "Pay Period" shall mean any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

29. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement.

30. "Parties" or "Settling Parties" means Plaintiff, the Settlement Class Members, the Aggrieved Employees, and Defendant, collectively.

31. "Preliminary Approval Date" means the date the Court preliminarily approves the Settlement Agreement and the exhibits thereto and enters the Preliminary Approval Order.

32. "Preliminary Approval Order" means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and providing for the issuance of the Notice to the Settlement Class Members, an opportunity to opt out of settlement of the Class Claims, an opportunity to submit timely objections to the terms of this Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of Settlement, including approval of attorneys' fees and costs.

33. "QSF" means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Final Settlement Class, and from which the settlement payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue Code Section 468.

34. "Release" shall mean the release and discharge of the Class Claims by Plaintiff and all of the Participating Class Members and the release and discharge of the PAGA Claims by

1 Plaintiff and all of the Aggrieved Employees.

2 35. "Released Parties" shall mean Vortex Industries, LLC, and any of its past, present,
3 and future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, sectors,
4 divisions, assigns, joint venturers, third parties, and other related entities, as well as each of their
5 present and/or future officers, directors, administrators, trustees, staff, members, managers,
6 employees, agents, representatives, attorneys, insurers, re-insurers, partners, investors, and
7 shareholders, as well as any individual or entity which could be jointly liable with Vortex
8 Industries, LLC.

9 36. "Request for Exclusion" shall have the meaning ascribed to it in Paragraph 75(a)
10 below.

11 37. "Incentive Award" means the amounts approved by the Court to be paid to the
12 Class Representative in addition to their Individual Settlement Amounts as Participating Class
13 Members.

14 38. "Settlement Administration Fees" means the actual and direct fees and expenses
15 reasonably incurred by the Settlement Administrator for administering this Settlement, including,
16 but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting,
17 due diligence, reporting and remittance obligations, distributing the Settlement Amount, and
18 providing necessary reports and declarations, as requested by the Parties. The Settlement
19 Administration Fees shall be paid from the Settlement Amount.

20 39. "Settlement Administrator" means and refers to Phoenix Class Action
21 Administration Solutions, which will provide the Notice to the Class Members and perform all
22 duties relating to the administration of the Settlement as described in this Agreement, including,
23 but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting,
24 distributing the Settlement Amount, and providing necessary reports and declarations, as
25 requested by the Parties. The Settlement Administration Fees shall be paid from the Settlement
26 Amount, including, if necessary, any such costs in excess of the amount represented by the
27 Settlement Administrator as being the maximum costs necessary to administer the Settlement.

28 40. "Settlement Amount" or "Gross Settlement Amount" means \$1,100,000.00, which

1 is the maximum amount Defendant agrees to pay under the Settlement except as provided in
2 Paragraph 54(b) "Terms of Settlement" below.

3 41. "Settlement Class Member" or "Class Member" refers to individual members of
4 the Settlement Class.

5 42. "Settlement Class" and "Settlement Class Members" refer to all persons who are
6 or were employed by Defendant in California and classified as non-exempt employees during the
7 Class Period.

8 43. "Workweek" shall mean any week during which a Class Member worked for
9 Defendant for at least one day, during the Class Period

10 **B. General Terms**

11 44. On or about February 22, 2024, Plaintiff filed a Class Action Complaint in the
12 Court against Defendant, including allegations of: (1) failure to pay minimum wages; (2) failure
13 to pay overtime wages and sick pay; (3) meal period violations; (4) rest period violations; (5)
14 wage statement violations; (6) waiting time penalties; (7) failure to reimburse business expenses;
15 and (8) unfair competition. Subsequently, on or about April 29, 2024, Plaintiff filed a First
16 Amended Complaint to add a cause of action for PAGA penalties based on the foregoing Labor
17 Code violations. Subsequently, on or about August 21, 2024, Plaintiff filed a Second Amended
18 Complaint dismissing his class claims, without prejudice, and alleging a single cause of action
19 for PAGA penalties based on the foregoing Labor Code violations. Defendant denies Plaintiff's
20 claims and allegations and contends that the Action is not suitable for class certification and/or
21 representative treatment.

22 45. On or about May 5, 2025, Plaintiff filed the B&P Action in the Court against
23 Defendant, including allegations of: (1) unlawful inclusion, enforcement, and/or attempted
24 enforcement of non-compete, non-solicitation, and other restrictive covenants in violation of
25 California Business and Professions Code §§ 16600, 16600.1, and 16600.5; and (2) unlawful and
26 unfair business practices in violation of California's Unfair Competition Law (Bus. & Prof. Code
27 § 17200, *et seq.*). Defendant denies Plaintiff's claims and allegations and contends that the Action
28 is not suitable for class certification and/or representative treatment

1 46. The Class Representative believes he can proceed with class and representative
2 claims, that the Action is meritorious, and that class certification is appropriate.

3 47. The Parties have thoroughly investigated the facts of the Action. This includes
4 conducting an extensive exchange of informal discovery, including Defendant's written policies
5 and practices, and producing a representative sample of payroll and timekeeping records for
6 Settlement Class Members and Aggrieved Employees. Class Counsel is both knowledgeable
7 about and has done extensive research with respect to the applicable law and potential defenses
8 to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has
9 diligently investigated the Class Members' claims against Defendant. Prior to mediation, Plaintiff
10 obtained and analyzed a representative sampling of time and payroll data for Class Members and
11 the necessary policy documents through informal discovery to properly evaluate the strengths and
12 weakness of the claims and engage in meaningful settlement discussions. Plaintiff's investigation
13 was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail,*
14 *Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th
15 116, 129-130 (2008) ("*Dunk/Kullar*"). Based on the foregoing data and their own independent
16 investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant
17 for the consideration and on the terms outlined in this Settlement Agreement is fair, reasonable,
18 and adequate and is in the best interest of the Settlement Class Members and Aggrieved
19 Employees in light of all known facts and circumstances, including the risk of significant delay
20 and uncertainty associated with litigation, various defenses asserted by Defendant, and numerous
21 potential appellate issues.

22 48. On February 21, 2025, the Parties participated in mediation before Steve Serratore,
23 Esq., which did not result in a settlement.

24 49. On August 13, 2025, the Parties participated in a second mediation before Daniel
25 Turner, Esq. After a full-day mediation and the issuance of a mediator's proposal, the Parties
26 reached a settlement.

27 50. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
28 to be performed or judgments to be entered pursuant to the terms of the Settlement and Agreement

shall be construed as an admission by Defendant of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action.

51. The Court has not granted class certification because the Parties engaged in mediation before any class certification.

52. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that shall be extinguished or affected by the Settlement.

53. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. For settlement purposes only, Defendant will stipulate that the Settlement Class Members described herein who do not Request Exclusion from the Settlement Class may be conditionally certified as a settlement class and that the Aggrieved Employees are appropriate for representative treatment for settlement purposes. This stipulation to certification and representative treatment is in no way an admission that class action certification and/or representative treatment is proper and shall not be admissible in this or any other action except for enforcing this Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to class certification and representative treatment as part of the Settlement shall become null and void *ab initio* and shall have no bearing on and shall not be admissible in connection with the issue of whether or not class certification and/or representative treatment would be appropriate in a non-settlement context. Defendant expressly reserves its right and declares that it will continue to oppose class certification, representative treatment, and the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to pursue class certification, representative treatment, and a trial should the Court fail to issue Final Approval.

C. Terms of Settlement

54. The financial terms of the Settlement are as follows:

(a) Settlement Amount: The Parties agree to settle this Action for One Million One Hundred Thousand Dollars and Zero Cents (\$1,100,000.00) ("the Settlement Amount"). The Settlement Amount is non-reversionary and is the maximum amount that will be paid by the

Defendant and includes Individual Settlement Amounts, attorneys' fees of Class Counsel, costs and expenses, the Incentive Award to the Class Representative, all Settlement Administration Fees, and payment to the Labor Workforce Development Agency ("LWDA") for PAGA penalties. Defendant shall separately pay the employer's share of applicable payroll taxes. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 78 of this Agreement.

(b) This settlement is based on Defendant's representation that there are approximately 71,629 workweeks at issue during the Class Period, as of the date of mediation (August 13, 2025). If the number of workweeks is ten percent (10%) higher than the current estimate (*i.e.*, more than 78,792 qualifying workweeks worked), then Defendant shall have the option, at Defendant's election, to either: (1) a pro-rata increase in the Gross Settlement Amount equal to the percentage increase in workweeks above 71,629 (*i.e.*, if the total workweeks increases by 11%, then a 1% increase to the Gross Settlement Amount); or (2) a cut-off of the Class Period to end on the date that total workweeks reaches 78,792.

(c) Net Settlement Amount: The "Net Settlement Amount" is defined as the Settlement Amount less attorneys' fees and litigation costs as approved and awarded by the Court, the Incentive Award to Class Representative as approved and awarded by the Court, the Settlement Administration Fees, as approved and awarded by the Court, and the One Hundred Thousand Dollars (\$100,000.00) allocated to payment for PAGA penalties as described in Paragraph 54(d)(i) below. If the Court reduces the attorneys' fees and litigation costs, Service Awards, Settlement Administration Fees, or increases or decreases the amount allocated to PAGA penalties, the Net Settlement Sum shall be increased or decreased accordingly. Any Court order awarding less than the below allocations of the attorneys' fees and litigation costs, Service Awards, Settlement Administration Fees, or PAGA penalties shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement.

(d) Individual Settlement Amounts for the Settlement Class: The Settlement Administrator will use the Class Data provided by Defendant to calculate each Participating Class Member's and Aggrieved Employee's Individual Settlement Amounts based on the following

formula:

i. **PAGA Amount:** \$100,000.00 of the Gross Settlement Amount has been designated to the PAGA claims. Seventy-five percent (75%) of the \$100,000.00, or \$75,000.00, shall be paid to the LWDA. Twenty-five percent (25%) of the \$100,000.00, or \$25,000.00, shall be paid to Aggrieved Employees. Each Aggrieved Employee shall receive a portion of the \$25,000.00 proportionate to the number of Pay Periods worked by the Aggrieved Employees during the PAGA Period compared to the total number of Pay Periods by all Aggrieved Employees during the PAGA Period. Aggrieved Employees shall have their settlement amount for the Released PAGA claims paid one hundred percent (100%) as civil penalties for which no taxes will be withheld and for which the Settlement Administrator will issue a Form 1099.

ii. **Class Amount:** The Net Settlement Amount shall be allocated to each Participating Class Member based on their proportionate Workweeks during the Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Participating Class Member's total Workweeks during the Class Period, and the denominator of which is the total Workweeks by all Participating Class Members during the Class Period. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Amounts for each Participating Class Member so that the amount distributed to Participating Class Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims.

(e) **Allocation of Individual Settlement Amounts:** The Individual Settlement Amounts will be allocated for tax purposes based on the allegations in the Action as follows: twenty percent (20%) will be paid as wages subject to withholding of all applicable local, state, and federal taxes; and eighty percent (80%) will be paid as interest and as civil penalties (pursuant to, e.g., California Labor Code sections 203, 226) from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms concerning the wage allocation and a Form 1099 concerning the civil penalties and interest allocations.

(f) **Incentive Award to Class Representative:** The amount awarded to the Class

Representative as an Incentive Award will be set by the Court in its discretion, not to exceed \$5,000.00. Defendant agrees not to oppose this request. The Incentive Award to Class Representative will be paid from the Gross Settlement Amount. Class Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be solely and legally responsible for paying any and all applicable taxes on this payment. The Parties agree that any amount awarded by the Court as the Incentive Award to Plaintiff less than the requested amount shall not be a basis for Plaintiff or Class Counsel to void this Stipulation. Should the Court approve a lesser amount for the Incentive Award, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. In the event of any appeal of the amount of the Incentive Award (if any) approved by the Court, if, after the exhaustion of any such appellate review, additional amounts not awarded to the Class Representative shall be added to the Net Settlement Amount to be distributed to the Participating Class Members.

(g) Class Counsel's Attorneys' Fees and Costs: Defendant agrees not to oppose a request by Class Counsel to the Court for an award of attorneys' fees of one-third (33.33%) of the Settlement Amount, plus reasonable litigation costs not to exceed \$40,000.00 ("Attorneys' Fees and Costs Award"). For purposes of this Settlement, Defendant agrees not to oppose any contention by Class Counsel that attorneys' fees should be based on the common fund theory. The Attorneys' Fees and Costs Award shall be paid from the Gross Settlement Amount, and except for this award, Defendant shall have no further obligation to pay any attorneys' fees, costs, or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. In the event of any appeal of the amount of the awards of attorneys' fees and costs (if any) approved by the Court, final funding and administration of the portion of the attorneys' fees and/or costs award in dispute will be segregated and stayed pending the exhaustion of appellate review. If, after the exhaustion of any such appellate review, additional amounts not awarded to

as attorneys' fees and costs shall be added to the Net Settlement Amount to be distributed to the Participating Class Members and/or Aggrieved Employees. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court. Class Counsel agrees that any allocation of fees between or among Class Counsel and any other attorney representing or claiming to represent the Class Members shall be the sole responsibility of Class Counsel.

(h) Settlement Administration Fees: The fees and other charges of the Settlement Administrator will be paid from the Gross Settlement Amount, not to exceed \$8,000.00, subject to Court approval.

(i) PAGA Penalties: The Parties agree that \$100,000.00 is allocated to PAGA Penalties and will be paid from the Gross Settlement Amount, subject to Court approval. Of this amount, \$75,000.00 (75%) shall be paid to the LWDA in satisfaction of Plaintiff's claims for civil penalties under the PAGA, and \$25,000.00 (25%) will be included in the Individual Settlement Amounts, payable to the Aggrieved Employees as set forth in Paragraph 54(d)(i).

(j) Tax Liability: Class Counsel, Defendant, and Defendant's Counsel make no representations as to the tax treatment or legal effect of Settlement Amounts called for hereunder, and Plaintiff and the Settlement Class Members are not relying on any statement or representation by Class Counsel, Defendant, or Defendant's Counsel in this regard. Plaintiff and Final Settlement Class Members understand and agree that they will be solely responsible for paying any taxes and penalties assessed on their respective Settlement Amounts described herein. Income tax withholding will also be made pursuant to applicable federal, state, and/or local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law are changed after the date of this Agreement, the processes set forth in this Section may be modified to bring Defendant into compliance with any such changes.

55. "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. Under no circumstances will any portion of the Settlement Amount revert to Defendant. Final Settlement

Class Members will not have to make a claim to receive an Individual Settlement Amount. In the form of Individual Settlement Amounts, Distributions will be made directly to each Final Settlement Class Member. The Settlement Administrator shall be responsible for accurately and timely reporting any remittance obligations with respect to unclaimed funds as a result of a Final Settlement Class Member not cashing an Individual Settlement Amount by the check cashing deadline, as set forth herein.

56. Class Counsel and Plaintiff believe that the Settlement is fair, reasonable, and adequate and will so represent same to the Court.

D. Releases by Plaintiff and the Final Settlement Class

57. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class Member, for themselves and their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Release Period.

58. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

59. Upon the Effective Date of this Settlement, Plaintiff, the Aggrieved Employees, and the LWDA will forever completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Release Period.

60. Plaintiff, the Aggrieved Employees, and the LWDA will be deemed to have made the foregoing Release as if by manually signing it.

61. Plaintiff and Defendant intend that the Settlement described in this Agreement will release and preclude any claim, whether by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind, by each and all of the Participating Class Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released Class Claims. The Settlement Class Members shall be notified in the Notice. This paragraph does not apply to any Settlement Class Member who timely and validly opt out of the Settlement for purposes of

1 Class Claims.

2 62. Plaintiff and Defendant intend that the Settlement described in this Agreement will
3 release and preclude any claim, whether by lawsuit, administrative claim or action, arbitration,
4 demand, or other action of any kind, by each and all of the Aggrieved Employees and the LWDA
5 to obtain a recovery based on, arising out of, and/or related to any and all of the Released PAGA
6 Claims. The Aggrieved Employees and the LWDA shall be notified in the Notice.

7 63. Class Representative, on behalf of himself and the Participating Settlement Class
8 Members, acknowledges and agrees that the claims for unpaid wages, meal period violations, rest
9 period violations, unreimbursed business expenses, inaccurate wage statements, untimely
10 payment of wages, and unfair and unlawful business practices in the Action, along with the claims
11 for unlawful non-compete agreements in the B&P Action, are disputed and that the payments set
12 forth herein constitute payment of all sums allegedly due to them. Class Representative, on behalf
13 of himself and the Participating Settlement Class Members, acknowledge and agree that
14 California Labor Code Section 206.5 does not apply to the Parties hereto. Section 206.5 provides
15 in pertinent part as follows:

16 An employer shall not require the execution of any release of any claim or right on
17 account of wages due, or to become due, or made as an advance on wages to be earned
18 unless payment of those wages has been made.

19 **E. Interim Stay of Proceedings**

20 64. Pending completion of all prerequisites necessary to effectuate this Settlement, the
21 Parties agree, subject to Court approval, to a stay of all proceedings in the Action and the B&P
22 Action except such as are necessary to effectuate the Settlement, including amending the
23 Complaint. Plaintiff expressly agrees to file Notices of Settlement in each Action. Upon the filing
24 of a Third Amended Complaint in the Action, Plaintiff hereby agrees to dismiss, without
25 prejudice, the separately filed B&P Action in its entirety.

26 **F. Notice Process**

27 65. Appointment of Settlement Administrator. The Parties have agreed to the
28 appointment of the Settlement Administrator to perform the duties of a settlement administrator,

1 including mailing the Notice, using standard devices to obtain forwarding addresses,
2 independently reviewing and verifying documentation associated with any claims or opt-out
3 requests, resolving any disputes regarding the calculation or application of the formula for
4 determining the Individual Settlement Amounts, drafting and mailing the settlement checks to
5 Final Settlement Class Members, issuing Forms W-2 and 1099, reporting to taxing authorities,
6 due diligence, reporting and remittance obligations, and performing such other tasks as set forth
7 herein or as the Parties mutually agree or that the Court orders.

8 66. Employer Identification Number. The Administrator shall have and use its own
9 Employer Identification Number for purposes of calculating payroll tax withholdings and
10 providing reports to state and federal tax authorities.

11 67. Website, Email Address and Toll-Free Number. The Settlement Administrator
12 shall establish, maintain and use an internet website to post information of interest to Settlement
13 Class Members including the date, time and location for the Final Approval Hearing and copies
14 of the Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;
15 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
16 Expenses Payment and Enhancement Award; the Final Approval Order; and the Judgment. The
17 Settlement Administrator shall also maintain and monitor an email address and a toll-free
18 telephone number to receive Settlement Class Member calls, faxes and emails.

19 68. Disputes Regarding Settlement Administration. Any and all disputes relating to
20 the administration of the Settlement by the Settlement Administrator (except for disputes
21 regarding Class Data) shall be referred to the Court, if necessary, which will have continuing
22 jurisdiction over the terms and conditions of this Settlement Agreement until Plaintiff and
23 Defendant notify the Court that all payments and obligations contemplated by this Settlement
24 Agreement have been fully carried out. Before presenting any issue to the Court, counsel for the
25 Parties will confer in good faith to resolve the dispute without the necessity of Court intervention.
26 The Settlement Administrator shall also be responsible for issuing to Plaintiff, Final Settlement
27 Class Members, and Class Counsel any Forms W-2, Forms 1099, or other Tax Forms as may be
28 required by law for all amounts paid pursuant to this Agreement. The Settlement Administrator

1 shall also be responsible for setting up all necessary tax accounts and forwarding all payroll taxes
2 and penalties to the appropriate government authorities.

3 69. Class Data. Within thirty (30) days after the Preliminary Approval Order entry,
4 Defendant shall provide the Class Data to the Settlement Administrator. The Settlement
5 Administrator will check the Class Members' addresses against those on file with the U.S. Postal
6 Service's National Change of Address List. The Class Data provided to the Settlement
7 Administrator will not be provided to Class Counsel, and it will remain confidential; it shall be
8 used solely to administer the Settlement, and it will not be used or disclosed to anyone except as
9 required by applicable tax authorities, pursuant to Defendant's express written consent, or by
10 order of the Court.

11 70. Notice. The Notice, as approved by the Court and all Parties, shall be sent by the
12 Settlement Administrator to the Settlement Class Members by first-class mail, in English, with a
13 Spanish translation, without material variation, within fourteen (14) calendar days following the
14 Settlement Administrator's receipt of the Class Data. The Settlement Administrator shall use
15 standard devices, including a skip trace, to obtain forwarding addresses of Settlement Class
16 Members if any notices are returned.

17 71. Returned Notices. The Settlement Administrator will take steps to ensure that the
18 Notice is received by all Settlement Class Members, including utilization of the National Change
19 of Address Database maintained by the United States Postal Service, to review the accuracy of
20 and, if possible, update a mailing address. Notices will be re-mailed to any Settlement Class
21 Member for whom an updated address is located within ten (10) calendar days following the
22 Settlement Administrator's learning of the failed mailing and its receipt of the updated address.
23 The Notice shall be identical to the original Notice. The deadlines for Settlement Class Members'
24 written objections, challenges to Workweeks and/or Pay Periods, and requests for exclusion (opt-
25 out) will be extended an additional fifteen (15) days beyond the 60 days otherwise provided in the
26 Notice for all Settlement Class Members whose notice is re-mailed. The Settlement Administrator
27 will inform the Settlement Class Member of the extended deadline with the re-mailed Notice.

28 72. Presumption Regarding Receipt of Notice. It will be conclusively presumed that

1 if an envelope has not been returned within thirty (30) days of the mailing, the Settlement Class
2 Member received the Notice.

3 73. Disputes Regarding Class Data. Settlement Class Members are deemed to
4 participate in the Settlement unless they opt out. The Notice will inform Settlement Class
5 Members of his/her/their estimated Individual Settlement Amount and the number of Workweeks
6 during the Class Period and the Pay Periods during the PAGA Period. Settlement Class Members
7 may dispute their Workweeks and/or Pay Periods if they believe they were employed more
8 workweeks in the Class Period in California than the Defendant's records show by timely
9 submitting evidence to the Settlement Administrator. Defendant's records will be presumed
10 determinative absent reliable evidence to rebut the Defendant's records, but the Settlement
11 Administrator will evaluate the evidence submitted by the Settlement Class Member and provide
12 the evidence submitted to the Class Counsel and Defense Counsel who agree to meet and confer
13 in good faith about the evidence to determine the Class Member's actual number of
14 Workweeks/Pay Periods and estimated Individual Settlement Amount. If Class Counsel and
15 Defense Counsel cannot agree, they agree to submit the dispute to the Court to render a final
16 decision. Settlement Class Members will have until the Notice Response Deadline to dispute
17 Workweeks/Pay Periods, object, or opt out, unless extended by the Court or if Notice is re-mailed.
18 If the Settlement Administrator increases the number of Workweeks for any Settlement Class
19 Member, then the Settlement Administrator will recalculate the Participating Class Members'
20 Individual Settlement Amounts; accordingly, in no event will Defendant be required to increase
21 the Gross Settlement Amount.

22 74. Declaration of Due Diligence. The Settlement Administrator shall provide counsel
23 for the Parties, at least twenty-five (25) days before the final approval hearing, a declaration of
24 due diligence and proof of mailing with regard to the mailing of the Notice.

25 75. Settlement Class Members' Rights. Each Settlement Class Member will be fully
26 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
27 Class Claims, and the ability to opt-out or request exclusion from the Class Claims provisions of
28 the Settlement. The Notice will inform the Settlement Class Members of the Court-established

1 deadlines for filing objections or requesting exclusion from the Class Claims provisions of the
2 Settlement in accordance with the following guidelines:

3 (a) Requests for Exclusion from Participating Settlement Class. Any
4 Settlement Class Member, other than Plaintiff, may request to be excluded from the Participating
5 Settlement Class by submitting a "Request for Exclusion" to the Settlement Administrator,
6 postmarked on or before the Notice Response Deadline. The Request for Exclusion should be
7 stated in words to this effect:

8 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN
9 THE GONZALEZ V. VORTEX LAWSUIT. I UNDERSTAND THAT IF
10 I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL
11 NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE
12 CLASS CLAIMS IN THIS LAWSUIT.

13 Any Request for Exclusion must include the full name, address, telephone number, last
14 four digits of the social security number or date of birth, and signature of the Settlement Class
15 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
16 Settlement Administrator at the specified address. Any such Request must be made in accordance
17 with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked
18 by the Notice Response Deadline unless the Parties agree in writing. Any Settlement Class
19 Member who timely requests exclusion in compliance with these requirements: (i) will not have
20 any rights under this Agreement with respect to the Class Claims, including the right to object,
21 appeal, or comment on the Settlement; (ii) will not be entitled to receive any payments under this
22 Agreement with respect to Class Claims; and (iii) will not be bound by this Agreement, or the
23 Judgment, with respect to the Class Claims.

24 (b) Binding Effect on Participating Settlement Class Members. Except for
25 those Settlement Class Members who exclude themselves in compliance with the procedures set
26 forth above, all Settlement Class Members will: (i) be deemed to be Final Settlement Class
27 Members for all purposes under this Agreement; (ii) will be bound by the terms and conditions
28 of this Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise
provided herein, will be deemed to have waived all objections and oppositions to the fairness,

1 reasonableness, and adequacy of the Settlement.

2 (c) Objections to Settlement of Class Claims. Any Settlement Class Member,
3 other than Plaintiff, who does not opt out of the Settlement may object to the terms of this
4 Agreement with respect to the Class Claims and may appear at the Final Approval Hearing and
5 object whether or not they have filed a written objection as outlined herein. Settlement Class
6 Members who do not participate in the Settlement have no right to object to the Settlement of the
7 Released Class Claims. To object, a Settlement Class Member shall inform the Settlement
8 Administrator, in writing, of his/her/their objection, which must be postmarked by the Notice
9 Response Deadline at the address set forth in the Notice. Such objection shall include the full
10 name, address, telephone number, dates of employment with Defendant of the Objecting
11 Settlement Class Member, the case name and number, and the basis for the objection. The
12 Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel
13 within three (3) days of receipt, and the Settlement Administrator shall attach the same to its
14 declaration of due diligence filed with the Court before the Final Approval Hearing. Any
15 Participating Class Member who files an objection remains eligible to receive monetary
16 compensation from the Settlement. Plaintiff and Defendant shall not be responsible for any fees,
17 costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any
18 objections to the Settlement. Submitting an objection does not preserve the right to appeal a final
19 judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and
20 properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure
21 section 663. Settlement Class Members and Aggrieved Employees may not object to or opt out
22 of the Settlement with respect to the PAGA Claims. Because future PAGA claims are subject to
23 claim preclusion upon entry of the Judgment, Settlement Class Members who opt out of the
24 Settlement who are also Aggrieved Employees are deemed to release the Released PAGA Claims
25 identified in Paragraph 24 of the Agreement and are eligible to receive an Individual PAGA
26 Payment.

27 (d) Failure to Object. Any Settlement Class Member who desires to object
28 with respect to the Class Claims but fails to submit a written objection timely waives any right to

object will be foreclosed from making any objection to this Settlement. Any Settlement Class Member who does not timely and properly become a party of record by intervening or filing a motion to vacate the judgment waives any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion under California Code of Civil Procedure section 473, and extraordinary writs.

(e) Responses to Objections. Counsel for the Parties may file a response to any objections submitted by Objecting Settlement Class Members at least five (5) court days before the date of the Final Approval Hearing.

76. Settlement Class Members will have until the Notice Response Deadline to object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement Administrator shall disclose jointly to Class Counsel and Defendant's counsel what objections or Requests for Exclusion were timely submitted every week and upon the request of Class Counsel or Defense Counsel.

77. If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties shall expeditiously meet and confer in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons shall be Class Members entitled to the same rights as other Class Members, and the Administrator shall send, via email or overnight delivery, a Class Notice requiring them to exercise options under the Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

78. Funding of the Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than (30) days after the Effective Date.

79. Qualified Settlement Fund. The Qualified Settlement Fund shall be established at a federally insured bank acceptable to the Defendant and the Settlement Administrator. The

1 Parties agree that the Qualified Settlement Fund is intended to be a "Qualified Settlement Fund"
2 under section 468B of the Code and Treas. Reg. §1.468B-1, 26 CFR § 1.468B-1, *et seq.*, and will
3 be administered by the Settlement Administrator as such. With respect to the Qualified
4 Settlement Fund, the Settlement Administrator shall: (1) open and administer a Settlement
5 Account in such a manner as to qualify and maintain the qualification of the Qualified Settlement
6 Fund as a "Qualified Settlement Fund" under Section 468B of the Code and Treas. Reg. §1.468B-
7 1; (2) calculate, withhold, remit and report each Participating Class Member's share of applicable
8 payroll taxes (including, without limitation, federal, state and local income tax withholding,
9 FICA, Medicare and any state or local employment taxes), and indemnify Defendant for any
10 penalty arising out of any error or incorrect calculation and/or interest with respect to any late
11 deposit of the same; (3) calculate and cooperate with Defendant to remit and to permit Defendant
12 to report Defendant's share of applicable taxes (including, without limitation, federal, state and
13 local income tax withholding, FICA, Medicare, unemployment insurance, employment training
14 tax, state disability insurance and any state or local employment taxes), and indemnify Defendant
15 for any penalty arising out of any error or incorrect calculation and/or interest with respect to the
16 same; (4) satisfy all federal, state and local income and other tax reporting, return, and filing
17 requirements with respect to the Qualified Settlement Fund and any interest or other income
18 earned by the Qualified Settlement Fund; and (5) satisfy out of the Qualified Settlement Fund all
19 (i) taxes (including any estimated taxes, interest or penalties) with respect to the interest or other
20 income earned by the Qualified Settlement Fund, if any, and (ii) fees, expenses and costs incurred
21 in connection with the opening and administration of the Qualified Settlement Fund and the
22 performance of its duties and functions as described in this Agreement. The aforementioned
23 taxes, fees, costs, and expenses shall be treated as and included in the costs of administering the
24 Qualified Settlement Fund and Settlement Administration Fees. The Parties and the Settlement
25 Administrator shall treat the Qualified Settlement Fund as coming into existence as a Qualified
26 Settlement Fund on the earliest date permitted as set forth in 26 CFR §1.468B-1(j)(2)(i), and such
27 election statement shall be attached to the appropriate returns as required by 26 CFR §1.468B-
28 1(j)(2)(ii). The Parties agree to cooperate with the Settlement Administrator and one another to

the extent reasonably necessary to carry out the provisions of this Section.

80. Distribution of Funds. No later than seven (7) calendar days after the deposit of the payment into the QSF, the Settlement Administrator will mail the payments to the Participating Class Members, the payment for the attorneys' fees and costs to Class Counsel, any Incentive Award to the Class Representative, the payment to the LWDA for PAGA penalties, and will pay itself the Settlement Administration Fees.

81. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall have 180 calendar days after mailing by the Settlement Administrator to cash their settlement checks. If any Final Settlement Class Member's check is not cashed within that period, the check will be void, and a stop-payment will be issued. All unclaimed funds shall be transmitted by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the Final Settlement Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subdivision (b). . The release will be binding upon all Final Settlement Class Members who do not cash their checks within the 180-day period. If any settlement check is returned to the Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned settlement check, perform a skip trace to locate the individual. If a new address is located by these means, the Administrator will have ten (10) business days to re-issue the check and notify Defense Counsel and Class Counsel that a re-issued check has been sent. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, or Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event that a Final Settlement Class Member notifies the Settlement Administrator that he/she/they believe that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated before the stop payment order, the Settlement Administrator will issue a replacement check.

82. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions, payments, or

reports made in accordance with or pursuant to this Agreement. This provision does not, however, prevent a Party from seeking enforcement of this Agreement.

83. Without prejudice to any other remedies, the Settlement Administrator shall agree to be responsible for any breach of its obligations (whether committed by the Settlement Administrator or its agents) and to indemnify and hold the Parties and their respective counsel harmless from and against all liabilities, claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any breach committed by the Settlement Administrator or its agents.

G. Duties of the Parties Prior to the Court's Approval

84. Upon completion of the execution of this Settlement Agreement, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

(a) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable, and adequate as to the Class Members and a hearing on fees, costs, and the Incentive Award;

(b) Approving as to form and content of the proposed Notice;

(c) Directing the mailing of the Notice by first class mail to the Settlement Class Members;

(d) Preliminarily approving this Settlement; and

(e) Preliminarily certifying the class for purposes of this Settlement.

85. Plaintiff's Counsel shall provide a draft of the motion for preliminary approval of the settlement to Defendant's Counsel for review and comment prior to filing it. Good faith efforts will be made to have the preliminary approval hearing scheduled within 60 days of full execution of this Settlement Agreement.

86. Reallocation of Settlement Proceeds. In the event the Court fails, on its first hearing, to approve this Agreement for any reason, then the Parties shall cooperate in good faith to reallocate the total settlement proceeds within this Agreement, to try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

87. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel shall, until the Motion for Preliminary Approval of Settlement is filed, 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 shall be instructed to keep the 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; (5) in response to an inquiry or subpoena issued by a state or federal government agency; or (6) to the extent necessary to prepare the Motion for Preliminary Approval of Settlement to be filed. Each Party shall immediately notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel shall not, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding the Agreement or the matters giving rise to the Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

H. Duties of the Parties Following Court's Final Approval

88. In connection with the Final Approval Hearing provided for in this Settlement Agreement, Class Counsel shall submit a proposed Final Approval Order:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Incentive Award to the Class Representative, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving the settlement, thereby permanently barring all Participating Class Members from prosecuting any Released Class Claims against any of the Released Parties and permanently barring all Aggrieved Employees and the LWDA from

1 prosecuting any Released PAGA Claims against any of the Released Parties.

2 **I. Voiding the Agreement**

3 89. If the Court does not grant Final Approval or conditions Final Approval on any
4 material change to the Settlement (including, but not limited to, the scope of release to be granted
5 by Class Members), the Parties will expeditiously work together in good faith to address the
6 Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's
7 decision to award less than the amounts requested for the Class Representative Incentive Award,
8 Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration
9 Expenses Payment shall not constitute a material modification to the Agreement within the
10 meaning of this paragraph.

11 90. If ten percent (10%) or more of the Settlement Class Members timely submit a
12 Request for Exclusion, Defendant shall have the option of terminating or modifying this
13 Agreement without prejudice to its pre-settlement positions and defenses in the Action. If
14 Defendant exercises such option under this paragraph, it shall be relieved of any obligation to pay
15 the Settlement Amount or any other obligations from the Settlement by giving notice to Plaintiff's
16 Counsel and the Settlement Administrator within ten (10) days of being notified by the Settlement
17 Administrator of a 5% or greater opt-out rate. In such an event, the Parties shall be restored to
18 their respective positions in all respects as though the contemplated settlement never occurred.
19 In the event of such termination, no party may use the fact that the Parties agreed to settle or the
20 terms provided herein as an admission, as evidence, or for any other purpose, including, without
21 limitation, to prove any liability or the amount of any sum allegedly owed by any Party. All
22 Parties and their respective counsel shall not encourage opt-outs or objections to this Agreement.
23 The Parties agree not to solicit opt-outs, directly or indirectly, through any means.

24 91. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will
25 have no further obligations under the Settlement, including any obligation by Defendant to pay
26 the Settlement Amount or any amounts that otherwise would have been owed under this
27 Settlement.

28 92. If the Settlement is voided or fails for any reason, any costs incurred by the

Settlement Administrator shall be borne equally by Defendant and Plaintiff unless otherwise specified in this Agreement.

J. Other Terms

93. Full and Complete Defense. Any Released Party may plead this Agreement as a full and complete defense to and may be used as the basis for an injunction against any action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted, asserting any Released Claim.

94. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

95. Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

96. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to the execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after executing this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the Court's preliminary and final approval of the settlement and the final entry of judgment.

97. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released and discharged by this Settlement Agreement.

98. No Admission. Defendant denies any and all liability to Plaintiff and/or any Settlement Class Member or Aggrieved Employee in this Action as to any and all causes of action

that were asserted or that might have been asserted in this Action. Nonetheless, Defendant wishes to settle and compromise the matters at issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that they have asserted or could assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

99. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and it, along with all related documents such as the notices and motions for preliminary and final approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for class certification as part of this Settlement Agreement is for settlement purposes only, and if, for any reason, the settlement is not approved, the stipulation will be of no force or effect.

100. Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To the Settlement Class Members and Aggrieved Employees:

Mehrdad Bokhour
mehrdad@bokhourlaw.com
 1901 Avenue of the Stars, Suite 920
 Los Angeles, California 90067
 Tel: (310) 975-1493; Fax: (310) 675-0861

Joshua Falakassa
josh@falakassalaw.com
 1901 Avenue of the Stars, Suite 920
 Los Angeles, California 90067
 Tel: (818) 456-6168; Fax: (888) 505-0868

To Defendant:

Collin D. Cook (SBN 251606)
E-Mail: ccook@fisherphillips.com
FISHER & PHILLIPS LLP
One Montgomery Street, Suite 3400
San Francisco, California 94104
Telephone: (415) 490-9000
Facsimile: (415) 490-9001

Harrison M. Thorne (SBN 313295)
E-Mail: hthorne@fisherphillips.com
FISHER & PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Telephone: (213) 330-4500
Facsimile: (213) 330-4501

101. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party because of the extent to which any Party or their counsel participated in the drafting of this Settlement Agreement. Plaintiff and Defendant expressly waive the common-law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

102. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

103. Modification. This Settlement Agreement may not be changed, altered, or modified except in writing and signed by the Parties hereto and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by writing signed by all of the Parties hereto.

104. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and Plaintiff and Defendant agree to seek the help of Dan Turner, Esq. to resolve any dispute they are unable to resolve informally. During this period, the Parties shall bear their attorneys' fees and

costs. This provision shall not apply to any legal action or other proceeding instituted by any person or entity other than Plaintiff or Defendant.

105. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations of this Agreement.

106. Enforceability. Pursuant to California Evidence Code section 1123(a) and (b), this Agreement is intended by the Parties to be and shall be, enforceable, binding, and admissible in a court of law.

107. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced, and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

108. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

109. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

110. Signatures of All Class Members Unnecessary to be Binding. It is agreed that because the members of the Settlement Class are numerous, it is impossible or impractical to have each Final Class Member execute this Settlement Agreement. The Notice will advise all Settlement Class Members of the binding nature of the releases provided herein, and such shall have the same force and effect as if each Final Settlement Class Member executed this Settlement Agreement.

111. Counterparts. This Settlement Agreement may be executed in counterparts, and

when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with other signed counterparts, shall constitute one fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

112. Publicity. Neither side shall publicize the settlement, including but not limited to communications through any social media, unless so ordered by the Court or unless the same would interfere with Class Counsel's ability to represent Class Members.

APPROVAL AND EXECUTION BY PARTIES:

Dated: October 29, 2025

11/3/2025

CLASS REPRESENTATIVE:

Signed by:

Daniel Gonzalez

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Daniel Gonzalez

Dated: October 29, 2025

DEFENDANT:

VORTEX INDUSTRIES, LLC

By: *Kristin Slyker*
Its: *CEO*

APPROVED AS TO FORM:

CLASS COUNSEL

Dated: October __, 2025

11/3/2025

FALAKASSA LAW, P.C.

DocuSigned by:

Joshua Falakassa

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Joshua Falakassa
Attorneys for Plaintiff

Dated: October __, 2025

11/3/2025

BOKHOUR LAW GROUP, P.C.

Signed by:

MEHRDAD BOKHOUR

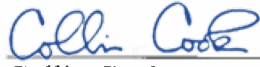
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Mehrdad Bokhour
Attorneys for Plaintiff

1 Dated: October 31, 2025

DEFENDANT'S COUNSEL:

2 **FISHER & PHILLIPS, LLP**

3 

4 Collin Cook

5 Harrison Thorne

6 Attorneys for Defendant