

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Settlement” or “Agreement”) is made and entered into between Plaintiff Joseph Villanueva (“Plaintiff”), acting in a Private Attorney General capacity, and Defendant Newport Pacific Capital Company, Inc. (“Defendant”).

I. DEFINITIONS

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

1. “Action” means the matter entitled *Joseph Villanueva v. Newport Pacific Capital Company, Inc.*, filed on February 16, 2024, in the Orange County Superior Court, Case No. 30-2024-01380407-CU-OE-CXC, and as set forth in Plaintiff’s correspondences to the California Labor and Workforce Development Agency (“LWDA Letter”) dated on or about February 16, 2024.

2. “Aggrieved Employees” means all current and former hourly or non-exempt employees employed by Defendant in California during the PAGA Period. Defendant represents that there are approximately 370 Aggrieved Employees.

3. “Complaint” means the First Amended Class and Representative Action Complaint filed in the Action.

4. “Court” means the Superior Court of California for the County of Orange.

5. “Effective Date” means the date the Court enters an order approving the Settlement and entering judgment thereon.

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

7. “LWDA” means the California Labor and Workforce Development Agency.

8. “Gross Settlement Amount” is the non-reversionary sum of Three Hundred Forty Thousand Dollars and Zero Cents (\$340,000.00), which represents the total all-in amount payable under this Settlement by Defendant, including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s Counsel’s fees and costs, Plaintiff’s service award, and payment to the Settlement Administrator for administration costs.

9. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (if approved by the Court) are subtracted from the Gross Settlement Amount: (a) Plaintiff’s Counsel’s fees up to one-third (33 1/3%) of the Gross Settlement Amount, currently estimated at \$113,333.33; (b) Plaintiff’s verified costs up to \$20,000.00; (c) Plaintiff’s service award of \$5,000.00; and (d) verified administration costs up to \$5,750.00.

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

11. “PAGA Period” means the time period from February 16, 2023 through November 22, 2025.

12. “PAGA Released Claims” means any and all claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Complaint and LWDA Letter, including claims for minimum wage violations, overtime wage violations, meal period violations, rest period violations, paid sick leave violations, wage statement penalties, waiting time penalties, failure to reimburse necessary business expenses, failure to pay call-back pay premiums, and violations of Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 246, 256, 510, 512, 516, 558, 558.1, 1174, 1182.8, 1194, 1197, 1197.1, 1198, and 2802.

13. “Parties” means Plaintiff and Defendant, collectively.

14. “Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

15. “Plaintiff” means Joseph Villanueva.

16. “Plaintiff’s Counsel” means William C. Sung, Tiffany L. Luu, Joseph C. Ramli of Justice for Workers, P.C..

17. “Released Parties” means Defendant Newport Pacific Capital Company, Inc. and each of its former and present directors, officers, shareholders, owners, members, predecessors, successors, assigns, subsidiaries, and affiliates.

18. “Settlement Administrator” or “Administrator” means Phoenix Settlement Administrators.

II. RECITALS

1. Plaintiff alleges that with regard to the Aggrieved Employees, Defendant (1) failed to pay minimum and overtime wages; (2) failed to pay paid sick leave; (3) failed to provide meal breaks; (4) failed to provide rest breaks; (5) failed to provide accurate wage statements; (6) failed to pay all wages due at separation; (7) failed to reimburse for business expenses; (8) failed to pay earned wages twice per month; (9) failed to maintain accurate records; and (10) failed to pay call-back pay premiums, all of which result in liability for civil penalties under the PAGA.

2. On February 16, 2024, Plaintiff provided the LWDA Letter to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in Paragraph II.1 above.

3. On February 16, 2024, Plaintiff initiated this Action by filing a Class Action Complaint against Defendant. On April 25, 2024, Plaintiff filed the operative First Amended Complaint adding a cause of action for violation of PAGA.

4. The Parties then stipulated to dismiss class claims, submit Plaintiff’s individual claims in the Action to arbitration, and stay representative PAGA claims pending arbitration.

5. During the pendency of the arbitration, the Parties agreed to attend a PAGA mediation. The Parties engaged in an informal discovery exchange prior to mediation. In response to Plaintiff's Counsel's informal discovery requests, Defendant provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees and the claims in the Action in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the PAGA claim, including but not limited to timekeeping and payroll data.

6. On September 23, 2025, the Parties participated in mediation before mediator Tagore Subramaniam, Esq., but did not reach a settlement. With the assistance of Mr. Subramaniam, the Parties continued to negotiate and eventually agreed to fully and finally resolve, subject to Court approval, the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement shall be construed to be an admission by Plaintiff that Plaintiff's claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaim any such liability or wrongdoing. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendant shall pay Three Hundred Forty Thousand Dollars and Zero Cents (\$340,000.00) as the **non-reversionary** Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). The payment of the Gross Settlement Amount shall be made within fourteen (14) days of the Effective Date. Defendant shall make the payment to the Settlement Administrator who will then distribute all payments.

3. **Escalator Clause.** Defendant represents that Aggrieved Employees worked approximately 15,100 pay periods during the PAGA Period. In the event the number of pay periods worked by the Aggrieved Employees exceeds 15,100 during the PAGA Period by more than 10%, Defendant shall be entitled to select either a pro-rata increase in the Gross Settlement Amount or a decrease in the end date covered by the PAGA Period so that the total number of pay periods worked is within 10% of 15,100. No later than 30 days after the execution of this Agreement, Defendant shall verify the number of pay periods worked by Aggrieved Employees, and if applicable, elect whether to increase the Gross Settlement Amount or decrease the end date of the PAGA Period.

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

5.

a. Plaintiff's Counsel's Fees and Costs. Defendant will not oppose Plaintiff's request for attorneys' fees in the amount up to one third (33 1/3%) of the Gross Settlement Amount (currently estimated at \$113,333.33), and costs incurred in prosecuting this Action up to \$20,000.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. Administration Costs. Defendant will not oppose the Settlement Administrator's costs in the amount up to \$5,750.00 for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

c. Plaintiff's Service Award. Defendant will not oppose Plaintiff's request for a service award in the amount of \$5,000.00 to Plaintiff, for Plaintiff's service to the LWDA and the Aggrieved Employees, and the risk Plaintiff undertook by attaching Plaintiff's name to the Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. If the Court believes the service award should be reduced, the other terms of the Settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

6. Allocation of Net Settlement Amount. The Net Settlement Amount shall be distributed pursuant to Labor Code § 2699(i) as follows:

a. 75% of the Net Settlement Amount shall be distributed to the LWDA.

b. 25% of the Net Settlement Amount shall be paid to Aggrieved Employees. This portion of the Net Settlement Amount shall be paid to all Aggrieved Employees pro rata based on the proportional number of Pay Periods worked by each Aggrieved Employee for Defendant in California during the PAGA Period.

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

7. PAGA Released Claims. Plaintiff agrees that upon entry of an Order approving the Settlement and full payment by Defendant of the Gross Settlement Amount, the State of California and all Aggrieved Employees, including Plaintiff, on behalf of themselves and their respective former and current representatives, agents, attorneys, heirs, administrators, successors, and assigns, and the State of California, will release any and all PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the Settlement and judgment entered thereon, as well as full payment by Defendant of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees will be forever barred from pursuing

any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

8. **No Right to Opt-Out.** Aggrieved Employees do not have the right to object or opt out of or otherwise exclude themselves from the settlement of claims for civil penalties under PAGA, and upon approval of the Settlement by the Court, each Aggrieved Employee will have released Defendant and each of the Released Parties of and for claims for civil penalties under PAGA released herein and each Aggrieved Employee will be entitled to receive payment, in conformity with the Settlement.

9. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.**

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

b. Plaintiff acknowledges that Plaintiff has read this Settlement, that Plaintiff fully understands Plaintiff's rights, privileges and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges that Plaintiff had the opportunity to consult with Plaintiff's attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

10. **Notification to LWDA.** Plaintiff's counsel will notify the LWDA of the Settlement at the time the Settlement is submitted to the court for approval, seek approval of the Settlement, and perform any and all statutory tasks as required by law.

11. **Termination of Settlement.** If the Court does not approve the Settlement, or if the Court does not enter judgment as provided for in this Settlement, or if the Court makes or orders material changes to the Basic Settlement Terms (defined as amount of the Gross Settlement Amount; the PAGA Period; the Escalator Clause; and/or the Parties' respective right to terminate the settlement as provided herein), or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the material terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) days of written notice thereof to elect to terminate the Settlement, in which case the Settlement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement. However, before exercising this option, a Party contemplating terminating the Settlement will attempt to work with the other Party in good faith to modify the Settlement in order to obtain Court approval or to otherwise cure any defect in the Settlement.

12. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement, and the Court retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement pursuant to Cal. Code Civ. Proc. § 664.6. This Settlement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to

Plaintiff and Aggrieved Employees.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree to use Phoenix Settlement Administrators to handle the administration of this Settlement.

2. **Provision of Information for Aggrieved Employees.** Within fourteen (14) calendar days of the Effective Date, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, total number of Pay Periods or dates of employment, and Social Security number. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

Within seven (7) calendars days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated individual settlement payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses.

Within fourteen (14) calendar days of the Settlement being fully funded as provided above in Section III.2, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A** and to be translated into Spanish by the Settlement Administrator, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties/interest and reported using IRS Form 1099.

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

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address, using a skip-trace or other similar search, using the name, address and/or Social

Security number of the Aggrieved Employee involved and will perform a single re-mailing if a new address is located.

Defendant fully discharges its obligations to those Aggrieved Employees to whom they will pay an Individual PAGA Payment through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees. Funds represented by checks returned as undeliverable after a re-mailing, and funds represented by checks remaining un-cashed for more than 180 days after issuance, will be tendered to the State Controller's Office under the unclaimed property fund laws in the names of the Aggrieved Employees to whom the checks were issued.

5. **Payment of Remainder.** Within fourteen (14) calendar days of the Settlement being fully funded, the Settlement Administrator will distribute the following additional payments: (1) the 75% share of the Net Settlement Amount to the LWDA; (2) Court-approved attorney's fees and costs to Plaintiff's Counsel; (3) Court-approved service award to Plaintiff; and (4) Court-approved administration costs to the Settlement Administrator.

6. **Accounting.** No later than ten (10) business days prior to the Court's Final Accounting Hearing, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement and/or uncashed.

7. **Tax Consequences.** Individual PAGA Payments made under this Settlement will be attributed 100% as penalties and interest and paid via IRS Form 1099 issued to each Aggrieved Employee. Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement.

V. **MISCELLANEOUS PROVISIONS**

1. **Mutual Preparation and Drafting.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Plaintiff nor Defendant shall be considered the "drafter" of this Settlement for purposes of having terms construed against that Party. This Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

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

3. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees and other fees incurred in connection with this Settlement and Plaintiff's PAGA claim, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement shall be construed under and governed by the laws of the state of California. This Settlement shall be deemed to have been entered into in the County of Los Angeles, California, and all questions of validity, interpretation or performance of

any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of Orange.

5. **Complete Agreement.** The Parties each acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Released Claims in the Action. This Settlement cannot be amended or modified except by a writing signed by counsel for the Parties hereto.

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

7. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement. Plaintiff will submit a proposed judgment in conformity with this Agreement to be entered by the Court, which shall constitute a final and binding resolution of the PAGA claim in the Action.

8. **Authorization to Enter into Settlement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

9. **Execution and Counterparts.** This Settlement is subject only to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and

10. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement is a fair, adequate and reasonable settlement of the PAGA claim in the Action, and, have arrived at this Settlement after arm's-length negotiations by experienced counsel and with the assistance of an experienced mediator. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. the same instrument.

11. **Invalidity of Any Provision.** Before declaring any provision of this Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible

consistent with applicable precedents, so as to define all provisions of this Settlement valid and enforceable.

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

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

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

15. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms under California Code of Civil Procedure § 664.6 and any other applicable statute or law, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

16. **Denial of Liability.** The Parties expressly recognize that the making of this Settlement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in 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, this Settlement may be used in any Court proceeding that has as its purpose the interpretation, implementation or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

17. **Confidential.** The Parties agree that this Settlement is confidential (except for purposes of enforcement) and that no Party will issue any press release nor other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the Settlement. The Parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry, or have any communication with the press about this case.

18. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action, motion, or other proceeding against any other Party or Parties to enforce the

provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the prevailing Party or Parties will be entitled to recover from the non-prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any action, motion, or other proceeding.

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

ACCEPTED AND AGREED:

Dated: April 9, 2026

Joseph Villanueva

Plaintiff Joseph Villanueva

Dated: 5/11/2026, 2026

DocuSigned by:

Michael Sullivan

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Newport Pacific Capital Company, Inc.

Michael Sullivan

Printed Name

Chief Executive Officer

Title

AGREED AS TO FORM AND CONTENT:

Dated: April 8, 2026

William C. Sung

William C. Sung

Tiffany L. Luu

JUSTICE FOR WORKERS P.C

Attorneys for Plaintiff Joseph Villanueva

Dated: May 8, 2026

Michelle J. Berner

Michelle J. Berner

Lindley P. Fraley

Thomas R. Kroesche

KROESCHESCHINDLER LLP

Attorneys for Defendant

Newport Pacific Capital Company, Inc.

EXHIBIT A

Re: *Payment from Juan Arias v. Newport Pacific Capital Company, Inc. and Kelly Services, Inc.*

Superior Court of California for County of Orange
Case No. 30-2024-01380407-CU-OE-CXC

SIMID
Name
Address

Dear **NAME**:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Joseph Villanueva. v. Newport Pacific Capital Company, Inc.*, Case No. 30-2024-01380407-CU-OE-CXC, pending in the Superior Court of California for the County of Orange (the “Action”).

The Action was filed against Newport Pacific Capital Company, Inc. (“Defendant”) and includes a claim for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Joseph Villanueva (“Plaintiff”), a former employee of Defendant, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiff claimed that Defendant owed civil penalties under PAGA for alleged violations of the California Labor Code. The parties have reached a settlement of Plaintiff’s claims, and on **DATE**, the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California’s Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendant who were allegedly affected by the alleged violations of the Labor Code.

By agreeing to this settlement, Defendant does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiff’s claims. No claims for unpaid or underpaid wages have settled and this settlement is without prejudice to your pursuit of such claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller’s Unclaimed Property Fund in your name. If you are still employed by Defendant, your decision to cash the check will not affect your employment.

While you were not a party to the Action, you (including your former and current representatives, agents, attorneys, heirs, administrators, successors, and assigns) and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under

PAGA only. The release includes any and all claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Complaint and LWDA Letter, including claims for minimum wage violations, overtime wage violations, meal period violations, rest period violations, paid sick leave violations, wage statement penalties, waiting time penalties, failure to reimburse necessary business expenses, failure to pay call-back pay premiums, and violations of Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 246, 256, 510, 512, 516, 558, 558.1, 1174, 1182.8, 1194, 1197, 1197.1, 1198, and 2802 (“PAGA Released Claims”), which arose from February 16, 2023 through November 22, 2025 (the “PAGA Period”).

If you have any questions, you can contact Phoenix Settlement Administrators, the Settlement Administrator, at (____) ____ - ____.