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Attorneys for Plaintiff
BERENISE CABALLERO, individually and on
behalf of all other aggrieved employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

RENE C. DAVIDSON COURTHOUSE

BERENISE CABALLERO, as an individual
and on behalf of all others similarly situated,

Plaintiff,

v.

NATIONAL LABS INC., a Nevada
corporation; and DOES 1 through 50,
inclusive,

Defendants.

CASE NO: 24CV083753

**SETTLEMENT AGREEMENT AND
RELEASE OF PAGA CLAIMS**

Dept.: 24
Judge: Hon. Rebekah Evenson

Action Filed: July 17, 2024
Trial Date: May 11, 2026

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Plaintiff BERENISE CABALLERO, in her capacity as a representative of the State of California on behalf of herself and all allegedly “aggrieved” employees, on the one hand, and Defendant NATIONAL LABS, INC., on the other hand, hereby enter into this Settlement Agreement and Release of Claims under the California Private Attorneys General Act of 2004 as follows:

I. DEFINITIONS

For ease of reference, this section defines some, but not all, of the terms in this Settlement Agreement and Release of Claims. Unless otherwise defined, the following terms used in this Settlement Agreement and Release of Claims shall have the meanings set forth below:

A. “Action” shall mean the civil action entitled *Caballero v. National Labs, Inc.*, Alameda Superior Court Case No. 24CV083753.

B. “Agreement” or “Settlement” shall mean this Settlement Agreement and Release of Claims under the California Private Attorneys General Act of 2004.

C. “Defendant” shall mean Defendant NATIONAL LABS, INC., its parents, agents, officers, directors, affiliates, subsidiaries, successors, and assigns.

D. “Defense Counsel” shall mean Anne K. Wilson and Jonah M. Mekebri of Duckor Metzger & Wynne, a Professional Law Corporation.

E. “Effective Date” of the Settlement refers to the date upon which the Parties receive notice that the Settlement is approved by the Superior Court of California for the County of Alameda, or other court assuming jurisdiction of this matter, in materially the same form as this Agreement.

F. “LWDA” refers to the California Labor and Workforce Development Agency.

G. “PAGA” refers to the California Private Attorneys General Act of 2004 (Cal. Lab Code §§ 2698 *et seq.*).

H. “PAGA Period” shall mean May 10, 2023 through January 31, 2024.

I. “PAGA Settlement Members” shall mean Plaintiff and the following nonexempt employees of Defendant who were affected by the clerical error on their itemized wage statements: Shana Allen, Nancy Alvarez, Crystel Burgess, Eva Damian, Jeremiah Diaz, Karina Esparza, Courtney Fox, Generosa Francisco, Renee Jones, Alisha Khelwawan, Jose Leal, Kaili Liao, Mariana Mendez,

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Zuhal Popal, Vanessa Ray-Vera, Sara Samok, Asia Scott, Miriama Togiai, Yolanda Ulep, Sandy Vega, Herbert Wade III, and Melinda Webb.

J. “Plaintiff” shall mean Plaintiff BERENISE CABALLERO, individually, and in her capacity as a representative of the State of California on behalf of other allegedly “aggrieved” employees.

K. “Plaintiff’s Counsel” shall mean Larry W. Lee and Kristen Agnew of Diversity Law Group, P.C.

L. “Parties” collectively refers to Plaintiff and Defendant.

M. “Released Claims” shall mean any and all claims, whether known or unknown, to recover civil penalties under PAGA, which were asserted or which could have reasonably been asserted in the Action based on the facts and theories pleaded therein, including, but not limited to, those relating to failure to provide accurate itemized wage statements and violations of California Labor Code §§ 226(a) and 2699 *et seq.*, and the applicable Industrial Welfare Commission Wage Orders, that accrued during the PAGA Period.

N. “Released Parties” shall mean Defendant, and all of its past, present, and future respective affiliates, parents, subsidiaries, predecessors, successors, divisions, joint ventures, and assigns, and each of these entities’ past or present directors, officers, employees, partners, members, principals, agents, insurers, co-insurers, re-insurers, shareholders, attorneys, accountants, auditors, advisors, consultants, labor contractors, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, and personal or legal representatives.

O. “Service Award” means the service payment made to Plaintiff as PAGA Representative in order to compensate her for initiating the Action, performing work in support of the Action, and undertaking the risk of liability for Defendant’s expenses.

P. “Settlement Administrator” shall mean refers to a qualified, third-party settlement administrator agreed to by the Parties to administer the terms of the Settlement and approved by the Court. In this case, the Parties have agreed to Phoenix Settlement Administrators.

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1 **II. RECITALS**

2 A. On May 10, 2024, Plaintiff submitted notice of her PAGA claims to the LWDA and
3 Defendant (“PAGA Notice”). On July 25, 2024, after the expiration of the statutory period for the
4 LWDA to assume jurisdiction of the PAGA claims, Plaintiff filed her representative PAGA
5 Complaint in this Action for civil penalties under PAGA against Defendant. In the PAGA Notice
6 and Complaint, Plaintiff alleged that Defendant violated California Labor Code § 226 by failing to
7 include the applicable hourly rate of pay for and hours worked for regular wages paid on wage
8 statements, including, but not limited to, the rate of pay and hours worked for overtime and the total
9 hours worked.

10 B. Defendant denied, and still denies, any knowing and intentional violations of the Labor
11 Code or applicable Wage Order, or any other wage and hour violation. Nevertheless, to avoid further
12 costs and time in defending the lawsuit, NLI has settled the lawsuit.

13 C. On or around early 2024, Defendant discovered a clerical error with the settings in
14 Defendant’s payroll software that affected 19 nonexempt employees in its Billing Department and 4
15 other nonexempt employees over a total of 415 pay periods. Defendant determined that no employees
16 were underpaid as a result of the clerical and issued corrected itemized wage statements.

17 D. After receiving the PAGA Notice, Defendant provided Plaintiff with a declaration
18 from its Payroll Administrator detailing the discovery of the clerical error and the remediation of the
19 issue.

20 **NOW, THEREFORE**, in in consideration of the mutual covenants, promises, and conditions
21 set forth, the Parties agree as follows:

22 **III. STATEMENT OF NO ADMISSION OF LIABILITY**

23 A. This Agreement is entered into in compromise of disputed claims. Defendant denies
24 any wrongdoing of any sort and further denies any liability for any of the claims in the Action, as well
25 as any other potential or unknown claims based on wage and hour violations under state or federal
26 law. Neither this Settlement, nor any document referred to or contemplated herein, nor any action
27 taken to carry out this Settlement, is, may be construed as, or may be used as, an admission,
28 concession, or indication by or against Defendant of any unlawful conduct, fault, wrongdoing or

1 liability whatsoever. Defendant specifically denies that it engaged in any unlawful or wrongful
2 conduct against Plaintiff or the PAGA Settlement Members.

3 B. The Parties have concluded that the terms set forth in this Agreement are fair,
4 reasonable, adequate, and in the best interests of the PAGA Settlement Members based on the factual
5 and legal issues involved, the expense and time necessary to prosecute the Action through trial, the
6 risks, uncertainty and costs of further prosecution, the difficulty of proof necessary to establish
7 liability and penalties (if any), and the relative benefits to the PAGA Settlement Members of an
8 expeditious resolution to the Action.

9 C. Except as set forth elsewhere herein, in the event that this Agreement is not approved
10 by the Court, or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will
11 not be deemed to have waived, limited, or affected in any way any claims, rights, remedies, or
12 damages in the Action, and Defendant will not be deemed to have waived, limited, or affected in any
13 way any of its objections or defenses in the Action. The Parties shall be restored to their respective
14 positions in the Action prior to the entry of this Settlement.

15 **IV. TERMS OF THE PAGA SETTLEMENT**

16 **A. The Total Settlement Payment**

17 Defendant shall pay a settlement payment in a total amount of \$20,000.00 to settle the PAGA
18 claims (the "Total Settlement Payment"). The Total Settlement Payment shall include settlement
19 administrative costs, attorneys' fees and costs, Service Award, and the Net PAGA Settlement Fund,
20 as defined in Paragraph IV.E below. No payroll taxes will be deducted from the Total Settlement
21 Payment.

22 **B. Settlement Administration Fees and Costs**

23 Settlement administration shall be done by the Settlement Administrator, Phoenix Settlement
24 Administrators. The Parties agree that the settlement administrative fees and costs shall be paid from
25 the Total Settlement Payment. The settlement administrative fees and costs include all fees and costs
26 for printing notice of the PAGA release for distribution with the payment of the Individual Settlement
27 Shares, postage, envelopes, and computer searches to locate addresses, as well as the expenses of the
28 Settlement Administrator to implement and complete the settlement process according to the terms

of this Settlement, to calculate payments to individual PAGA Settlement Members, any cost associated with the escheatment process for any uncashed or undeliverable settlement checks, to prepare any necessary tax documents for PAGA Settlement Members, and any other related fees and costs. The Settlement Administration Costs are estimated to be \$1,450.00. To the extent fees and costs are less than \$1,450.00, or the Court approves a lesser amount, then the remainder will be allocated to the Net PAGA Settlement Fund.

C. Attorneys' Fees and Costs

Defendant agrees not to oppose or impede any application or motion by Plaintiff's Counsel for attorneys' fees in the amount of \$6,666.66 (or one-third of the Total Settlement Payment), and costs in an amount upon to \$1,500 ("Fees and Costs Award"), which shall be paid from the Total Settlement Payment. Any portion of the Fees and Costs Award not awarded to Plaintiff's Counsel shall be allocated to the Net PAGA Settlement Fund.

D. Service Award

The Parties agree that Plaintiff may file an application or motion for a Service Award in an amount of not more than \$1,500.00 (in addition to any Individual Settlement Share Plaintiff is entitled to receive under this Agreement). Defendant reserves the right to oppose a Service Award. If granted, the Service Award shall be paid from the Total Settlement Payment. Any portion of the Service Award not awarded to Plaintiff shall be allocated to the Net PAGA Settlement Fund. The Settlement Administrator will report payment of the Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Service Award.

E. Net PAGA Settlement Fund

1. After deducting the settlement administration fees and costs, Fees and Costs Award to Plaintiff's Counsel, and the Service Award, the remainder of the Total Settlement Payment shall be allocated toward payment to the LWDA and PAGA Settlement Members (the "Net PAGA Settlement Fund"). The Net PAGA Settlement Fund, subject to Court approval, is estimated to be \$8,883.34.

2. A total of 75% of the Net PAGA Settlement Fund shall be paid to the LWDA (the "LWDA Payment"), which is \$6,662.50.

3. The remaining 25% of Net PAGA Settlement Fund, which is \$2,220.84, shall be payable to the PAGA Settlement Members (the "PAGA Settlement Member Fund"), and each PAGA Settlement Member shall receive a pro rata share of this amount as further detailed in Paragraph V.B below.

V. COMPUTATION AND DISTRIBUTION OF TOTAL SETTLEMENT AMOUNT

A. Deposit of Total Settlement Payment

1. The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code for purposes of administering the Settlement. The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID Number and calculate all settlement checks based on information that will be confidentially furnished by Defendants.

2. Within 15 calendar days after the Effective Date, Defendants shall deposit the Total Settlement Payment with the Settlement Administrator.

B. Formula for Calculating Share of PAGA Settlement Member Fund

Each PAGA Settlement Member shall receive a pro rata share of the PAGA Settlement Member Fund ("Individual Settlement Share") based on the number of pay periods that he or she received a wage statement during the PAGA Period ("Qualifying Pay Periods"). Each PAGA Settlement Member's number of Qualifying Pay Periods will be divided by the total number of Qualifying Pay Periods for all PAGA Settlement Members, and the resulting figure will be referred to as the "Multiplier." Each PAGA Settlement Member's Multiplier will be applied to the PAGA Settlement Member Fund to calculate his or her Individual Settlement Share.

C. Distribution of PAGA Fund

1. Defendant shall provide the Settlement Administrator with a list of the names, last-known addresses, and Social Security numbers of the PAGA Settlement Members, to be furnished within 30 calendar days after the Effective Date. The contact information is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the

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1 confidentiality of contact information of the PAGA Settlement Members. This information is to be
2 used only to carry out the Settlement Administrator's duties as specified in this Settlement.

3 2. Within 45 calendar days after the Effective Date, the Settlement Administrator
4 shall pay to the LWDA Payment as otherwise directed by the Court.

5 3. Within 45 calendar days after the Effective Date, the Settlement Administrator
6 shall distribute to the PAGA Settlement Members their Individual Settlement Share.

7 4. Within 45 calendar days after the Effective Date, the Settlement
8 Administrators shall distribute the Fees and Costs Award to Plaintiff's Counsel.

9 5. Within 45 calendar days after the Effective Date, the Settlement
10 Administrators shall distribute the Service Award to Plaintiff if granted by the Court.

11 6. The Settlement Administrator will send the calculated Individual Settlement
12 Shares by check payable to the PAGA Settlement Members by postmarked First Class U.S. Mail,
13 enclosed with the Notice of Settlement of PAGA Representative Action (attached as **Exhibit A**)
14 approved by the Court.

15 7. To provide the best notice practicable, any Individual Settlement Share
16 returned to the Settlement Administrator as non-delivered shall be sent by post-marked First-Class
17 U.S. Mail to the forwarding address affixed thereto, if any. If no forwarding address is provided for
18 an Individual Settlement Payment that is returned as non-deliverable, the Settlement Administrator
19 shall use the best available technology accessible (e.g., skip tracing, address verification, etc.) to the
20 Settlement Administrator or other mutually agreeable method to locate PAGA Settlement Members
21 and will then mail the Individual Settlement Payment to the address identified by the best available
22 technology accessible to the Settlement Administrator or other mutually agreeable method. If no
23 current address is located, the Individual Settlement Payment for that individual will be deemed
24 undeliverable. If any PAGA Settlement Members cannot be located within two attempts at mailings
25 by the Settlement Administrator, the Individual Settlement Payment for that individual will be
26 deemed undeliverable.

27 8. The Settlement Administrator shall maintain a list of the postmark date for the
28 original mailing of the Individual Settlement Payment to the PAGA Settlement Members, the

1 postmark date of any subsequent mailing to any PAGA Settlement Members, and a list of PAGA
2 Settlement Members who did not receive the Individual Settlement Payment due to the inability to
3 locate a valid address using the procedures described herein or who otherwise could not be located
4 within two attempts at mailing.

5 9. All settlement checks will remain valid and negotiable for 180 calendar days
6 from the date of their mailing by the Settlement Administrator. After the 180-day period from the
7 date of their mailing by the Settlement Administrator, any uncashed checks will be void and escheat
8 to the State of California State Controller's Unclaimed Property Fund, California Civil Code § 1500
9 *et seq.* in the name of those PAGA Settlement Members who did not cash their checks until such time
10 they claim their property.

11 10. No later than January 31st of the year following payment of their individual
12 portion of the PAGA Fund, the Settlement Administrator will prepare and issue IRS Form 1099 to
13 PAGA Settlement Members who received a payment. One hundred percent (100%) of the PAGA
14 Fund payable to PAGA Settlement Members will be considered 1099 income representing payment
15 of penalties.

16 11. For any PAGA Settlement Members for whom the Individual Settlement
17 Payment was deemed undeliverable, their portion of the PAGA Fund will be sent to the State of
18 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*
19 in the name of those PAGA Settlement Members who did not cash their checks until such time they
20 claim their property.

21 **D. Settlement Administration Payment**

22 Within thirty (30) calendar days after the Effective Date, the Settlement Administrator shall
23 deduct, for itself, an amount equivalent to the settlement administrative fees and costs incurred.

24 **VI. CLAIMS RELEASE BY PAGA SETTLEMENT MEMBERS**

25 **A. Claims Released by the LWDA and the PAGA Settlement Members**

26 Upon the payment of the Total Settlement Payment, the LWDA and PAGA Settlement
27 Members, including Plaintiff, fully release and forever discharge the Released Parties from any and
28 all Released Claims. As a result of this release, the LWDA and the PAGA Settlement Members will

1 be unable to bring a claim under, or recover in any other claim brought under, PAGA, Labor Code §
2 2698 *et seq.*, for any violations of the Released Claims. Plaintiff expressly acknowledges and agrees
3 that she is time barred from bringing any further claims against Defendant under PAGA.

4 **B. Tax Treatment and Tax Indemnification**

5 PAGA Settlement Members will assume any tax obligations or consequences which may arise
6 from this Settlement. PAGA Settlement Members release any and all claims that they have or may
7 have against Defendant and the Released Parties for any claims, demands, deficiencies, levies,
8 assessments, executions, judgments, penalties, taxes, indemnification, and any other recoveries
9 related to any payments made under this Agreement. If any state or federal taxing authority contacts,
10 investigates, or pursues any action against any PAGA Settlement Members for their individual share
11 of taxes related to any payments made under this Agreement or any compensation provided at any
12 time by Defendant or any of the Released Parties, each PAGA Settlement Member shall be
13 responsible for their own defense of and payment for any claim of unpaid taxes, interest, or penalties
14 brought by any state or federal taxing authority for the PAGA Settlement Member's share of any state
15 or federal tax obligation. If a PAGA Settlement Member has questions about any liability to any state
16 or federal taxing authority, they shall contact the Settlement Administrator. The PAGA Settlement
17 Members shall not contact Defendant, any of the Released Parties, or Defense Counsel.

18 **VII. COURT APPROVAL OF SETTLEMENT**

19 **A. Obtaining Court Approval of the Settlement and Notice to the LDWA**

20 Plaintiff's Counsel shall be responsible for preparing and filing a Motion for Approval of the
21 PAGA Settlement and a proposed Judgment ("Motion"). Plaintiff's Counsel will provide Defense
22 Counsel with an opportunity to propose revisions to that Motion before it is filed. Defendant shall
23 have an opportunity to oppose Plaintiff's request for a Service Award and the Motion, to the extent
24 that Plaintiff seeks relief that is inconsistent with terms of the Settlement Agreement. The Parties
25 will cooperate in obtaining an Order from the Court approving the payment of the PAGA Settlement
26 Sum and entry of Judgment thereon at the earliest possible date.

27 Concurrently with the submission of this Agreement to the Court, Plaintiff shall submit it to
28 the LWDA as required by PAGA. The Parties agree to use their best efforts to expedite the

1 preparation and submission of the Motion. The Parties further agree to fully cooperate in the drafting
2 of any further documents reasonably necessary to be prepared or filed, shall take all steps that may
3 be requested by the Court relating to, or that are otherwise necessary to, the approval of the Total
4 Settlement Payment as described in this Agreement.

5 The Court's approval of the Settlement and entry of Judgment shall be transmitted to the
6 LWDA by Plaintiff promptly as required by PAGA.

7 **B. Voiding the Settlement**

8 Should the Court deny with prejudice the motion for approval of the payment of the Total
9 Settlement Payment as described in this Agreement or decline to dismiss the Action as agreed by the
10 Parties, this Agreement shall be null and void and have no further effect.

11 **C. Waiver of Right to Appeal**

12 Provided that the Court's approval of this Settlement is consistent with the material terms of
13 this Agreement, Plaintiff, Defendant, and their respective counsel hereby waive any and all right to
14 appeal the approval of the Settlement, and the Order therefore will become non-appealable at the time
15 it is entered.

16 **VIII. MISCELLANEOUS PROVISIONS**

17 **A. Mutual Full Consideration**

18 Plaintiff, Defendant, Plaintiff's Counsel, and Defense Counsel agree to fully cooperate with
19 each other to accomplish the terms of this Settlement, including, but not limited to, execution of such
20 documents and to take such other action as may reasonably be necessary to implement the terms
21 herein. The Parties agree to use their best efforts and any other efforts that may become necessary by
22 Order of the Court, or otherwise, to effectuate this Settlement.

23 **B. Authority to Execute**

24 The Parties represent and warrant to the other Party that she or it has the right, power and
25 authority to enter into this Agreement, and that the person signing this Agreement on behalf of such
26 Party has the power and authority to do so.

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1 **C. Binding Nature of the Settlement**

2 1. This Settlement shall be binding upon, and inure to the benefit of, the
3 successors or assigns of the Released Parties. Plaintiff represents, covenants, and warrants that she
4 has not directly or indirectly, assigned, transferred, encumbered, any claim, demand, action, cause of
5 action or rights released in the Released Claims in this Settlement. This Settlement also shall be
6 binding upon Plaintiff and the PAGA Settlement Members.

7 2. This Settlement may be amended or modified only by a written instrument
8 signed by Plaintiff's Counsel and Plaintiff, as well as Defense Counsel and Defendant. No rights
9 under this Settlement may be waived except in writing.

10 3. This Settlement and any attached exhibits constitute the entire agreement
11 between Plaintiff and Defendants relating to the terms contained herein. All prior or
12 contemporaneous agreements, understandings, and statements, whether oral or written, whether
13 express or implied, and whether by a party or its counsel, concerning this Agreement are merged
14 herein. No oral or written representations, warranties, or inducements have been made to any Party
15 concerning this Agreement or its exhibits, other than the representations, warranties, and covenants
16 contained and memorialized in such documents.

17 4. Paragraph titles or captions contained herein are inserted as a matter of
18 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
19 Agreement or any of its provisions. Each term of this Agreement is intended to be contractual and
20 not merely a recital.

21 **D. Construction**

22 1. This Agreement has been drafted jointly and negotiated at arms' length, and
23 each Party has consulted with independent legal counsel with respect to such Party's rights and
24 obligations under this Agreement. Accordingly, any rule of law (including without limitation
25 California Civil Code § 1654) or legal decision that would require interpretation of any ambiguities
26 in this Agreement against the Party drafting this Agreement is not applicable and is waived. The
27 provisions of this Agreement will be interpreted in a reasonable manner to affect the intent of the
28 Parties and the purpose of this Agreement. This Agreement has been reviewed by the Parties and

1 their respective counsel, and the Parties have had full opportunity to negotiate the contents of this
2 Agreement. The Parties expressly waive any common law or statutory rule of construction that
3 ambiguities should be construed against the drafter of this Agreement.

4 2. Plaintiff and Plaintiff's Counsel agree that none of the documents provided to
5 them by Defendant shall be used for any purpose other than the settlement of this Action. Specifically,
6 none of the documents provided shall be used to pursue any subsequent claims or litigation against
7 Defendant or the Released Parties. Plaintiff and Plaintiff's Counsel agree that any and all documents
8 provided to them by Defendant shall remain confidential following the Effective Date of this
9 Agreement. Plaintiff and Plaintiff's Counsel further agree to ensure the return or destruction of any
10 records provided by Defendant that Plaintiff and/or Plaintiff's Counsel shared with their agents,
11 consultants, expert witnesses, or employees during the course of this Action.

12 **E. Severability**

13 Each provision of this Agreement is independent, separate, and divisible, and in the event any
14 provision or portion of a provision of this Agreement is found by the final order of a court of
15 competent jurisdiction to be invalid, unenforceable, or in contravention of any applicable law,
16 regulation, or public policy, such provision will be deemed not to be a part of this Agreement and will
17 not affect the validity or enforceability of the remaining provisions. Nothing contained in this
18 Agreement will be construed so as to require the commission of any acts contrary to law, and
19 wherever there is a conflict between any provision of this Agreement and any present or future law
20 or regulation, such provision will be limited to the extent necessary to make it comply with such law
21 or regulation.

22 **F. Counterparts**

23 This Agreement may be executed in two or more counterparts, each of which will be deemed
24 an original, but all of which together will constitute one and the same instrument. Execution and
25 delivery of this Agreement by delivery of a facsimile or electronically recorded copy (including a .pdf
26 file) bearing a copy of the signature of a Party will constitute a valid and binding execution and
27 delivery of this Agreement by such Party. Such copies will constitute enforceable original documents.

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G. No Press Release or Publicity Regarding the Settlement

Plaintiff and Plaintiff's Counsel, as well as Defendant and Defense Counsel, agree that they will not issue any media or press release, initiate any contact with the media or the press, respond to any media or press inquiry or have any communications with the media or the press about the fact, amount, or terms of this Settlement. Plaintiff and Plaintiff's Counsel shall not publicize or refer to the fact, terms, or amount of the Settlement, on their websites, social media, any other marketing materials, or legal publication; notwithstanding the foregoing, Plaintiff's Counsel shall have the right to publicize the general nature of the settlement so long as Plaintiff's Counsel does not identify the name of the case, the case number, any identities of the Parties to the Action, or any other information that would indicate the identity of the Parties to the Action. Plaintiff and Plaintiff's Counsel will not state on their websites, social media, any other marketing materials, or legal publications, that Defendant engaged in any act contrary to California law, or denied payment owed to individuals classified as independent contractors or employees, or otherwise disparage Defendant, or otherwise identify Defendant. Defendant shall be allowed to report the Settlement or results of this lawsuit if required to do so by public disclosure regulatory requirements or with respect to any financial or other disclosures which in their judgment are necessary. Plaintiff and Plaintiff's counsel are allowed to disclose and submit this Settlement Agreement and Release of Claims to the LWDA and court or any other governmental entity if ordered to do so by the court or if required by law.

H. Governing Law/Venue

This Agreement will be deemed to have been executed and delivered in California, and the rights and obligations of the Parties will be construed and enforced in accordance with, and governed by, the laws of California. The Parties stipulate that any action or proceeding in connection with, or arising out of, this Agreement will be commenced and maintained only in the County of Alameda California.

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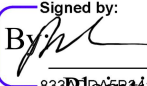
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I. Continuing Jurisdiction of the Court

Pursuant to Code of Civil Procedure § 664.6, the Parties agree that the Court shall retain jurisdiction over the Parties, and over this Settlement, in order to: (a) monitor and enforce compliance of Settlement, and/or (b) resolve any disputes over this Settlement or the administration of the benefits of this Settlement.

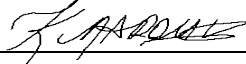
IT IS SO AGREED:

DATED: 8/29/2025

Signed by:
By: 
Plaintiff BERENISE CABALLERO,
individually and on behalf of all other
aggrieved employees

DATED: 9/4/25

Defendant NATIONAL LABS, INC.

By: 
Name: Kira Marquis
Title: Executive Director

APPROVED AS TO FORM:

DATED: September 5, 2025

DUCKOR METZGER & WYNNE,
A Professional Law Corporation

By: 
ANNE K. WILSON
JONAH M. MEKEBRI
Attorneys for Defendant NATIONAL LABS,
INC.

DATED: 9/2/2025

DIVERSITY LAW GROUP, P.C.

By: 
LARRY W. LEE
KRISTEN AGNEW
Attorneys for Plaintiff BERENISE
CABALLERO, individually and on behalf of
all other aggrieved employees

EXHIBIT A

EXHIBIT A

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Case Name: *Caballero v. National Labs, Inc.*

Case Number: Alameda Superior Court Case No. 24CV083753

Aggrieved Employee

Address

Address

You are receiving this notice in connection with a Court-approved settlement (the “Settlement”) in a lawsuit brought on a representative basis under the Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.* (“PAGA”). The plaintiff in the lawsuit is Berenise Caballero (“Plaintiff”) and the Defendant is National Labs, Inc. (“NLI”). The Settlement provides for recovery of civil penalties for purported violations of the California Labor Code on behalf of certain individuals who worked for NLI in California as non-exempt employees during the PAGA Period (May 10, 2023 through January 31, 2024) and received one or more itemized wage statements during this period (“Eligible Employees”). The PAGA statute provides that 75% of any civil penalties recovered pursuant to the Settlement be paid to the State of California and 25% of any civil penalties recovered be paid to the “aggrieved employee” group, which in this case is the group of Eligible Employees.

NLI denies any knowing and intentional violations of the Labor Code or applicable Wage Order, or any other wage and hour violation. Nevertheless, to avoid further costs and time in defending the lawsuit, NLI has settled the lawsuit. By settling the lawsuit, NLI is not admitting that it has done anything wrong.

The Settlement resolves all claims for civil PAGA penalties under PAGA relating to any failure to provide accurate itemized wage statements in violation of California Labor Code §§ 226(a) and 2699 *et seq.*, and the applicable Industrial Welfare Commission Wage Orders, that accrued during the PAGA Period (the “Released PAGA Claims”). **This Settlement is limited to civil penalties due under the PAGA, and does not include any claims you may have for unpaid wages or other legal remedies.**

By an Order dated [Date], 2025, the Superior Court approved the Settlement of the PAGA claims. By approving the Settlement, the Court did not decide in favor of either Plaintiff or NLI.

According to NLI’s records, you are an Eligible Employee and are therefore entitled to a share of the Settlement based upon the Court-approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for one hundred eighty (180) calendar days. Thereafter, all uncashed checks shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law in the name of, and for the benefit of, the Eligible Employee that did not cash his or her settlement check.

Please Note: One hundred percent (100%) of the payment you are receiving in connection with the Settlement will be considered penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your settlement payment. Neither Plaintiff nor NLI has made any representations or warranties regarding the taxation of your settlement payment. Nothing in this Notice or any other communication shall constitute or be construed or relied upon as tax advice.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CALL OR WRITE TO THE SETTLEMENT ADMINISTRATOR AT:

[SETTLEMENT ADMINISTRATOR NAME]

[ADDRESS LINE 1]

[ADDRESS LINE 2]