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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

CELIA BARROSO, individually, and on
behalf of all others similarly situated,

Plaintiff,

v.

APPLIED COMPOSITES HOLDINGS, LLC,
a limited liability company; and DOES 1
through 10, inclusive,

Defendants.

Case No. 30:2024-01409560-CU-OE-CXC

Assigned for all Purposes to: Hon. Randall J.
Sherman, Dept. CX105]

PAGA SETTLEMENT AGREEMENT

Action Filed: June 25, 2024
Trial Date: TBD

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DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means the action captioned *Celia Barroso v. Applied Composites Holdings, LLC et al.*, in which the representative PAGA claims are pending in Orange County Superior Court, Case No. 30-2024-01409560-CU-OE-CXC, and Plaintiff's individual claims are pending in arbitration before JAMS, Reference No. 5200001947.

3. “Aggrieved Employees” means all current and former non-exempt, hourly employees who worked for Defendant within the State of California at any time during the period from June 22, 2023 through March 15, 2026.

5. “Gross Settlement Amount” means the settlement amount of Four Hundred Thousand Dollars (\$400,000.00) to be paid by Defendant in full satisfaction of all Settled Claims arising from the Action.

7. "Operative Complaint" collectively means Plaintiff's First Amended Complaint filed on August 27, 2024 and Demand for Arbitration submitted on September 27, 2024.

8. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.

9. “Plaintiff’s Counsel” means Moon Law Group, PC.

10. “Service Award” means the amount to be paid to Plaintiff as payment for her service on behalf of the LWDA and Aggrieved Employees and for a general release of all claims arising out of her employment with Defendant.

11. “Settled Claims” means any and all Plaintiff Released Claims and PAGA Released Claims defined in section 19 of this Agreement.

12. “Settlement Period” means the period from June 22, 2023 through March 15, 2026.

13. “Effective Date” means the date the Court approves the settlement described in this Settlement Agreement and dismisses the Action with prejudice.

TERMS

14. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay Four Hundred Thousand Dollars (\$400,000.00) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant. The Parties agree that there are no circumstances that would require Defendant to pay any amount greater than the Gross Settlement Amount in connection with this Agreement unless the escalator clause in 13(c) herein is invoked.

15. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all Settled Claims. Pursuant to PAGA, Sixty-Five Percent (65%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Thirty-Five Percent (35%) will be paid to all Aggrieved Employees according to the following formula:

15(a) Defendant will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of

1 pay periods worked by all Aggrieved Employees during the Settlement Period.

2 15(b) To determine each Aggrieved Employee's payment from the PAGA Penalties
3 Fund, Defendant will use the following formula: Settlement Payment = 35%
4 of PAGA Penalties Fund $\times$ [Pay Periods Worked by Individual Aggrieved
5 Employee During the Settlement Period $\div$ Total Pay Periods Worked by All
6 Aggrieved Employees during the Settlement Period].

7 15(c) Escalator Clause. This settlement is based on Defendant's representation that
8 there are approximately 20,297 pay periods worked by the Aggrieved
9 Employees from June 22, 2023 through March 15, 2026. If the number of pay
10 periods exceeds this amount by more than 10% (i.e. by more than 2,030 pay
11 periods) for the Settlement Period, Defendant shall pay an increased Gross
12 Settlement Amount proportionate to the increase over the 11% threshold. For
13 example, if the final number of pay periods is 23,342 (i.e., 15% greater than
14 20,297), the Gross Settlement Amount will increase by 5%.

15 16. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or
16 motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than 1/3 of the Gross Settlement
17 Amount, currently estimated to be One Hundred Thirty Three Thousand Three Hundred Thirty Three
18 Dollars and Thirty Three Cents (\$133,333.33), plus the reimbursement of all out-of-pocket costs and
19 expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including
20 expert/consultant fees, investigations costs, etc.), not to exceed Twenty Five Thousand Dollars
21 (\$25,000.00), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys'
22 Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

23 17. Settlement Administration Costs. The Parties will retain Phoenix Class Action
24 Administration Solutions as the third-party settlement administrator ("Settlement Administrator"). The
25 Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and
26 issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's
27 Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Settlement
28 Administration Costs are estimated to be no more than Fifteen Thousand Dollars (\$15,000.00). Any

portion of the Settlement Administration Costs not awarded by the Court will be added to the PAGA Penalties Fund.

18. Service Award. For the general release of all claims set forth in 19(b) below, and for her service on behalf of the LWDA and Aggrieved Employees, Defendant agrees not to oppose or impede any application or motion by Plaintiff for a service award of Seven Thousand Five Dollars (\$7,500.00) (“Service Award”). The Service Award is subject to Court approval and shall be paid from the Gross Settlement Amount. Any portion of the Service Award not approved by the Court shall be added to the PAGA Penalties Fund.

19. Release and Waiver of Settled Claims

19(a) Limited Release by Aggrieved Employees. Upon the Effective Date and subject to Defendant's full payment of the Gross Settlement Amount, Plaintiff, on behalf of herself, her heirs, executors, and assigns, the Aggrieved Employees, and the State of California, fully releases and discharges Defendant, and each of its past, present and future, whether director or indirect, subsidiaries, affiliates, parent companies, divisions, successors, predecessors, and assigns, and each of their respective past and present shareholders, officers, partners, directors, members, employees, agents, attorneys, insurers, successors, assigns, representatives, accountants, and all persons acting on their behalf (collectively, “Released Parties”) from any and all claims, rights, demands, liabilities, and causes of action of every nature and description under PAGA, which were alleged or which could have been alleged based on the facts asserted in the Operative Complaint in the Action and/or in Plaintiff's PAGA notice to the LWDA dated June 22, 2024 (“PAGA Released Claims”) that accrued during the Settlement Period, including without limitation, claims for failure to pay for all hours worked, including overtime, provide all meal periods or premium compensation in lieu thereof, authorize and permit all rest breaks or premium compensation in lieu thereof, maintain accurate records, pay all vacation wages at termination, reimburse all necessary business

1 expenses, timely pay all wages during employment and due upon separation of
2 employment, issue complete and accurate wage statements, and for violation
3 and/or based on California Labor Code §§ 201, 202, 203, 204, 210, 245, 246,
4 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197,
5 1197.1, 1198, 2699, 2699.3, 2802, the corresponding provisions of the
6 applicable IWC Wage Order, and all claims for attorneys' fees and costs in
7 connection therewith. The Aggrieved Employees' PAGA Released Claims
8 include all such claims, whether known or unknown by the releasing party.
9 Thus, even if an Aggrieved Employee discovers facts in addition to or
10 different from those that they now know or believe to be true with respect to
11 the subject matter of the Aggrieved Employees' PAGA Released Claims, e.g.
12 the claims brought in Plaintiff's Operative Complaint in the Action or that
13 could have been brought based on the facts therein, those claims will remain
14 released and forever barred. Therefore, solely with respect to those PAGA
15 Released Claims, Plaintiff, the Aggrieved Employees, and the State of
16 California expressly waive and relinquish the provisions, rights and benefits of
17 California Civil Code section 1542, which provides: **A GENERAL**
18 **RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
19 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR**
20 **SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF**
21 **EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR**
22 **HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER**
23 **SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

24 19(b) General Release by Plaintiff Barroso. Upon the Effective Date and subject to
25 Defendant's full payment of the Gross Settlement Amount, Plaintiff Barroso
26 shall be deemed to have fully, finally, and forever released the Released Parties
27 from any and all claims, obligations, demands, actions, rights, causes of action,
28 and liabilities against the Released Parties, of whatever kind and nature,

1 character, and description, whether in law or equity, whether sounding in tort,
2 contract, federal, state and/or local law, statute, ordinance, regulation, common
3 law, or other source of law, whether known or unknown, and whether
4 anticipated or unanticipated, including unknown claims covered by Civil Code
5 Section 1542, arising through the date of his signature hereon, for any type of
6 relief, including, without limitation, claims for wages, damages, unpaid costs,
7 penalties, liquidated damages, punitive damages, interest, attorneys' fees,
8 litigation costs, restitution, or equitable relief. These claims include, but are not
9 limited to, the PAGA Released Claims, as well as any other claims under any
10 provision of the California Labor Code or any applicable California Industrial
11 Welfare Commission Wage Orders, and claims under local, state, or federal
12 discrimination statutes, including, without limitation, the California Fair
13 Employment and Housing Act, California Government Code §§ 12940 *et seq.*;
14 the Unruh Civil Rights Act, California Civil Code §§ 51 *et seq.*; the California
15 Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000 *et*
16 *seq.*; the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*; the
17 Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*;
18 and all of their implementing regulations and interpretive guidelines ("Plaintiff
19 Released Claims"). With respect to these Plaintiff Released Claims as
20 described in this Section, Plaintiff Barroso shall be deemed to have expressly
21 waived and relinquished, to the fullest extent permitted by law, the provisions,
22 rights, and benefits she may otherwise have had pursuant to Section 1542 of
23 the California Civil Code, which provides as follows:

24 **A GENERAL RELEASE DOES NOT EXTEND TO**
25 **CLAIMS THAT THE CREDITOR OR RELEASING**
26 **PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN**
27 **HIS OR HER FAVOR AT THE TIME OF EXECUTING**
28 **THE RELEASE AND THAT, IF KNOWN BY HIM OR**

**HER, WOULD HAVE MATERIALLY AFFECTED HIS
OR HER SETTLEMENT WITH THE DEBTOR OR
RELEASED PARTY.**

Notwithstanding Section 1542, Plaintiff understands and agrees that this Agreement shall act as a release of all future claims that may arise from Plaintiff Barroso's employment or separation from employment with Defendant, or any other matters that existed between Plaintiff Barroso and the Released Parties up to the date of this Agreement, whether such claims are currently known or unknown, and that Plaintiff intentionally waives any rights she may have under the provisions of Section 1542, as well as under any other statutes or common law principles of similar effect in the State of California or in any other state.

20. Plaintiff understand and agrees that this Settlement Agreement and the general release set forth in 19(b) above shall remain in full force and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the Court. However, in the event the Court awards Plaintiff no Service Award whatsoever (\$0.00), this Agreement shall be deemed null and void unless the Parties mutually agree in writing to modify the Settlement to provide Plaintiff with individual consideration of no less than \$7,500.

21. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the "Order and Judgment").

22. Funding of the Settlement. Defendant will deposit the Gross Settlement Amount into the QSF to be established by the Settlement Administrator by August 15, 2026, as long as the Court enters the Order and Judgment by no later than thirty (30) calendar days prior to that date. In the event the Court enters the Order and Judgment after August 15, 2026, Defendant shall fund the Gross Settlement Amount within fourteen (14) calendar days of the Effective Date. Within fourteen (14) calendar days after the full funding of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved Employees;

1 (b) the Labor and Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The
2 Settlement Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued
3 under this Settlement.

4 23. List of Aggrieved Employees. Within fifteen (15) business days after entry of the Order
5 and Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved
6 Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft
7 Office Excel and will include each Aggrieved Employee's full name; last known mailing address and
8 telephone number; Social Security number; and the total number of pay periods during which each
9 Aggrieved Employee worked during the Settlement Period. This information shall be treated as and
10 remain confidential and shall be used solely to manage the notice and payment process described herein,
11 shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing
12 authorities, or pursuant to express written authorization of Defendant, the individual Aggrieved Employee
13 in question and only as to that individual's information, or by order of the Court.

14 24. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
15 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
16 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a
17 search based on the National Change of Address Database for information to update and correct for any
18 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
19 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
20 thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to
21 determine the correct address using a skip-trace, or other search using the name, address or Social Security
22 number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will
23 remain negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding
24 180 days after the mailing of the Settlement checks by the Settlement Administrator will be transmitted to
25 the State Controller's Office Unclaimed Property Fund in the name of each Aggrieved Employee whose
26 check is voided. All settlement payments to Aggrieved Employees will be treated as miscellaneous income
27 for which a 1099 will be issued by the Settlement Administrator.

28 25. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved

1 Employees will be forever barred from pursuing against Defendant any and all PAGA Released Claims
2 during the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have
3 released any individual wage and hour claims by virtue of this Settlement.

4 26. No Right to Exclusion or Objections by Representative Action Members. Because this
5 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
6 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
7 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved Employees
8 will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of
9 whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no
10 Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

11 27. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein
12 will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved
13 Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans,
14 stock purchase plans, vacation plans, sick leave plans, PTO plans, or any other benefit plan. Rather, it is the
15 Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to
16 which any Aggrieved Employee may be entitled under any benefit plans.

17 28. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that
18 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
19 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right
20 herein released and discharged.

21 29. Nullification of Settlement Agreement. If the Court should fail to approve the Settlement,
22 the Parties shall coordinate efforts to address the Court's questions or concerns and work jointly to make
23 reasonable efforts to remedy the Settlement Agreement in order to obtain the Court's approval. If, after the
24 Parties make reasonable attempts to obtain approval of the material terms of the Settlement Agreement, the
25 Court does not approve the Settlement Agreement or if the Court's approval of this Settlement Agreement
26 is reversed, modified, or declared or rendered void or voidable, then: (a) this Settlement Agreement shall be
27 considered null and void; (b) neither this Settlement Agreement nor any of the related negotiations or
28 proceedings shall be of any force or effect; and (c) all Parties to this Settlement Agreement shall stand in

1 the same position, without prejudice, as if the Settlement Agreement had been neither entered into nor filed
2 with the Court.

3 30. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
4 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of
5 the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as
6 may be appropriate under court rules or as set forth in this Settlement.

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

16 32. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
17 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
18 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
19 they are each represented by competent counsel and that they have had an opportunity to consult with their
20 counsel regarding the fairness and reasonableness of this Settlement.

21 33. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
22 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
23 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

24 34. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to
25 be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on
26 the part of Defendant, Released Parties, Plaintiff, Plaintiff's Counsel, Aggrieved Employees, or the LWDA.
27 Each of the Parties hereto has entered into this Settlement Agreement with the intention to avoid further
28 disputes and litigation with the attendant inconvenience and expenses. Defendant denies that it has engaged

1 in any unlawful activity, that it has failed to comply with the law in any respect, that it has any liability to
2 anyone under the claims asserted in the Action. The Parties agree that this Settlement does not constitute an
3 admission by Defendant or any of the Released Parties of any of the matters alleged in the Action or of any
4 violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of
5 any policy or procedure, or of any liability or wrongdoing whatsoever. This Settlement Agreement is
6 entered into solely for the purpose of compromising highly disputed claims. Neither this Settlement nor
7 anything in this Settlement Agreement shall be construed to be or shall be admissible in any proceeding as
8 evidence of liability or wrongdoing by Plaintiff, Defendant or any of the Released Parties.

9 35. Non-Evidentiary Use. Neither the existence of this Settlement Agreement, the terms of this
10 Settlement Agreement, the negotiation and execution of this Settlement Agreement, all acts performed or
11 documents executed pursuant to or in furtherance of this Settlement Agreement, nor the settlement of the
12 Action shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence
13 for any purpose adverse to Plaintiff, the LWDA, Defendant or any other of the Released Parties, including
14 but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released
15 Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of
16 any of the factual allegations in the Operative Complaint in the Action; (b) disclosed, referred to, or offered
17 in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the
18 Action, or any other civil, criminal, or administrative action or proceeding in any court, administrative
19 agency or other tribunal except (1) for the purposes of effectuating the settlement pursuant to this
20 Settlement Agreement, (2) for Defendant to attempt to establish that an Aggrieved Employee has resolved
21 or been compensated for any claims made by that employee, and (3) in order to support a defense or
22 counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement,
23 judgment bar or reduction or any theory of claim preclusion or issue preclusion or similar defense or
24 counterclaim; and (c) deemed to be, nor used as, an admission or evidence of the appropriateness of these
25 or similar claims for representative treatment, class certification or administration other than for purposes of
26 administering this Settlement. Nothing herein shall constitute an admission by Defendant that the Action
27 was properly brought as a representative action other than for settlement purposes.

28 36. No Publication. The Parties will, and will cause all their respective current or past counsel

1 to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this
2 Settlement or any related information, except as necessary to obtain Court approval as contemplated by this
3 Settlement Agreement; (ii) not publish the fact and/or terms of this Settlement Agreement or any related
4 information on their website(s), for advertising purposes and/or in publication materials generally available
5 to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Settlement
6 Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms, and
7 Plaintiff's counsel may disclose the fact that this case settled in listing their qualifications to act as counsel
8 in other cases.

9 37. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
10 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
11 on the Parties.

12 38. Amendment or Modification. This Settlement Agreement may be amended or modified
13 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
14 Parties, and approved by the Court.

15 39. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and
16 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

17 40. California Law Governs. All terms of this Settlement Agreement will be governed by and
18 interpreted according to the laws of the State of California.

19 41. Execution and Counterparts. This Settlement Agreement is subject only to the execution of
20 all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed
21 counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and scanned
22 copies of the signature pages, will be deemed to be one and the same instrument.

23 42. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
24 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
25 with applicable precedents so as to define all provisions of this Settlement Agreement valid and
26 enforceable.

27 43. Captions. The captions and section numbers in this Settlement Agreement are inserted for
28 the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the

provisions of this Settlement Agreement.

44. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement 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.

45. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

46. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement 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 Agreement.

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

48. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

49. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement 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, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

READ CAREFULLY BEFORE SIGNING

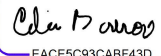
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Dated: 3/18/2026

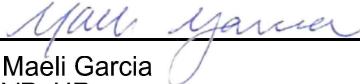
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Celia Barroso

**DEFENDANT APPLIED COMPOSITES
HOLDINGS, LLC**

Dated: 04/02/2026


By: Maeli Garcia
Its: VP, HR

APPROVED AS TO FORM

MOON LAW GROUP, PC

Dated: 3/18/2026


Kane Moon
S. Phillip Song
Morgan W. Simpson
Attorneys for Plaintiff Celia Barroso

JEFFER MANGELS & MITCHELL LLP

Dated: 04/02/2026


Barbra A. Arnold
Taylor N. Burras
Attorneys for Defendant Applied Composites
Holdings, LLC

Exhibit A

Exhibit A
Employee Notice

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual Settlement Payment from *Celia Barroso v. Applied Composites Holdings, LLC et al.*
Orange County Superior Court, Case No. 30-2024-01409560-CU-OE-CXC

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Check”). This check is your payment from the settlement of a lawsuit entitled *Celia Barroso v. Applied Composites Holdings, LLC et al.*, Case No. 30-2024-01409560-CU-OE-CXC (“Action”), pending in the Superior Court of California for the County of Orange (“Court”) against Defendant Applied Composites Holdings, LLC (“Defendant”).

The lawsuit was filed by Celia Barroso (“Plaintiff”), a former employee of Applied Composite Structures, Inc., against Defendant on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”) for alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant or Applied Composites Structures, Inc., within the State of California between June 22, 2023 through March 15, 2026 (“Aggrieved Employees”).

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as an Aggrieved Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as an Aggrieved Employee during the period between June 22, 2023 through March 15, 2026 (“Settlement Period”). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the PAGA Released Claims. The “Released Parties” means Defendant, Applied Composites Structures, Inc., and each of their past, present and future, whether director or indirect, subsidiaries, affiliates, parent companies, divisions, successors, predecessors, and assigns, and each of their respective past and present shareholders, officers, partners, directors, members, employees, agents, attorneys, insurers, successors, assigns, representatives, accountants, and all persons acting on their behalf. The “PAGA Released Claims” means and refers to claims for civil penalties under the PAGA, California Labor Code § 2698, *et seq.*, which were alleged or could have been alleged based on the facts asserted in the Operative Complaint in the Action and/or in Plaintiff’s PAGA notice to the California Labor and Workforce Development Agency, arising during the Settlement Period, including without limitation, claims for failure to pay for all hours worked, including overtime, provide all meal periods or premium compensation in lieu thereof, authorize and permit all rest breaks or premium compensation in lieu thereof, maintain accurate records, pay all vacation wages at termination, reimburse all necessary business expenses, timely pay all wages during employment and due upon separation of employment, issue complete and accurate wage statements, and for violation and/or based on California Labor Code §§ 201, 202, 203, 204, 210, 245, 246, 226, 226.3, 226.7, 227.3,

Exhibit A
Employee Notice

510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2699.3, 2802, the corresponding provisions of the applicable IWC Wage Order, and all claims for attorneys' fees and costs in connection therewith.

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the Aggrieved Employee whose check is voided.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.