

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs Edgar Navarro ("Navarro"), Omar Rodriguez ("Rodriguez"), Enrique Rocco ("Rocco"), and Zuban Isidor Navarrete ("Navarrete") (collectively, "Plaintiffs") and Defendants National Distribution Centers, LLC ("NDC"); NFI Management Services, LLC; NFI Industries, Inc.; Sidney R. Brown; and Alvaro Mendoza; OTS Solutions, LLC ("OTS"), and Randstad US, LLC ("Randstad") (collectively "Defendants"). The Agreement refers to Plaintiffs and Defendants collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Actions" means the respective Plaintiffs' lawsuits as follows:

- a. Navarro v. Randstad US, LLC, et al., pending in the Superior Court of the State of California, County of Los Angeles, Case No. 24STCV27365 ("Navarro PAGA Action").
- b. Enrique Rocco v. National Distribution Centers, LLC, et al., pending in the Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2304978 ("Rocco PAGA Action").
- c. Zuban Isidor Navarrete v. National Distribution Centers, LLC, et al., pending in the Superior Court of the State of California, County of Los Angeles, Case No. 23STCV14980 ("Navarrete PAGA Action").

1.2. "Administrator" means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's full name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.5. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.6. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.7. "Court" means the Superior Court of California, County of Los Angeles.

1.8. "Defendants" means named Defendants National Distribution Centers, LLC; Sidney R. Brown; Alvaro Mendoza; NFI Management Services, LLC; NFI Industries, Inc.; OTS Solutions, LLC; and Randstad US, LLC.

1.9. "Defense Counsel" means Allison S. Wallin, Alvin Arceo, and Valentina Wilson of Littler Mendelson P.C.

1.10. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Approval Order; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no objections to the PAGA Settlement are filed, the day the Court enters the Judgment; (ii) if any objections to the PAGA Settlement are filed, the day after the deadline for filing a notice of appeal from the Judgment; or, if a timely appeal of the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur; (iii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition.

1.11. "Gross Settlement Amount" means \$2,800,000.00 (which is calculated as Two Million Eight-Hundred Thousand Dollars and Zero Cents (\$2,800,000.00), which is the total amount Defendant NDC agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service Payments, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13. "Judgment" means the judgment entered by the Court based upon the Approval Order.

1.14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.15. "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.16. "NDC Aggrieved Employee" means a person employed by NDC in California and classified as either a non-exempt employee or as an exempt employee who worked for NDC at any time between January 31, 2022 to the date the Court enters an Order Approving the PAGA Settlement.

1.17. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Representative Service Payments, PAGA Counsel Fees Payment, PAGA Counsel Litigation

Expenses Payment, and the Administration Expenses Payment. The remainder is the Net Settlement Amount to be paid to Aggrieved Employees as Individual PAGA Payments.

1.18. "Operative Complaint" refers to the First Amended Complaint to be filed in the Navarro PAGA Action by PAGA Counsel effectively consolidating the Navarro PAGA Action, the Navarrete PAGA Action, and the Rocco PAGA Action.

1.19. "OTS Aggrieved Employee" means a person employed by OTS or its affiliate Eclipse Advantage, LLC ("Eclipse") who worked at NDC in California as a non-exempt employee at any time between January 31, 2022 to the date the Court enters an Order Approving the PAGA Settlement.

1.20. "PAGA Counsel" means Seung L. Yang, Tiffany Hyun, and Jeffrey Jackson of The Sentinel Firm, APC, (on behalf of Navarro and Rodriguez) and David Bibiyan, Kevin Chaffin, and Sarah Cohen of Bibiyan Law Group, P.C., (on behalf of Navarrete and Rocco).

1.21. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Actions.

1.22. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.23. "PAGA Periods" means, as to NDC and OTS (and/or its affiliate Eclipse), the period from January 31, 2022 to the date of Settlement Approval or the date on which the Escalator Provision is triggered in Paragraph 9, whichever is earlier; and as to Randstad, the period from July 24, 2023 to the date of Settlement Approval or the date on which the Escalator Provision is triggered in Paragraph 9, whichever is earlier.

1.24. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.25. "PAGA Notices" means Plaintiffs' respective letters to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.26. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees and the 65% to LWDA in settlement of PAGA claims.

1.27. "PAGA Representative Service Payment" is the amount to be paid to Plaintiffs for their service as PAGA Representatives.

1.28. "Plaintiffs" means Edgar Navarro, Omar Rodriguez, Enrique Rocco, and Zuban Isidor Navarrete, the named Plaintiffs in the Action.

1.29. "Randstad Aggrieved Employee" means a person employed by Randstad in California as a nonexempt employee who worked at NDC at any time between July 24, 2023 to the date the Court enters an Order Approving the PAGA Settlement or the date on which the Escalator Provision is triggered in Paragraph 9, whichever is earlier.

1.30. "Released PAGA Claims" means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 6 below.

1.31. "Released Parties" means: National Distribution Centers, LLC; Sidney R. Brown; Alvaro Mendoza; OTS Solutions, LLC; and Randstad US, LLC; and their past, present and future direct or indirect parents, subsidiaries, predecessors, successors, assigns, joint venturers and affiliated companies and entities as well as their past, present, and future owners, officers, shareholders, directors, members, managers, operators, employees, consultants, vendors, partners, affiliates, subsidiaries, shareholders, attorneys, insurers, reinsurers, payroll providers, joint venturers, joint employers, agents, employees, any successors, assigns, and legal representatives, and any individual or entity that could be jointly liable with Defendants.

1.32. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

2. RECITALS.

2.1.

a. On April 14, 2023, Plaintiff Rocco commenced the Action by filing a Complaint alleging a cause of action for civil penalties pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698, *et seq.* ("PAGA") against NDC, Sidney R. Brown, and Alvaro Mendoza and Does 1 through 100, in the Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2304978 for violations of Labor Code §§ 201, 226.3, 558, 1174.5, 1197.1 and 2699.

b. On June 23, 2023, Plaintiff Navarrete commenced the Action by filing a Complaint alleging a cause of action for civil penalties pursuant to the PAGA against NFI Management Services, LLC; OTS Solutions, LLC; NDC; NFI Industries, Inc.; Sidney R. Brown, and Alvaro Mendoza and Does 1 through 100, in the Superior Court of the State of California for the County of Los Angeles, Case No. 23STCV14980 for violations of Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1 and 2699.

c. October 18, 2024, Plaintiff Navarro and Rodriguez commenced the Action by filing a Complaint alleging a cause of action for civil penalties pursuant to PAGA against NDC, OTS, and Randstad and Does 1 through 100, in the Superior Court of the State of California for the County of Los Angeles, Case No. 24STCV27365 for violations under the California Labor Code and IWC Wage Orders including: (a) failure to pay employees for all hours worked, including all minimum wages and overtime wages; (b) failure to provide employees with compliant meal periods; (c) failure to authorize and permit

compliant rest periods; (d) failure to indemnify necessary business expenses; (e) waiting time penalties; (f) failure to maintain accurate records; (g) failure to issue accurate wage statements; and (h) untimely wages.

d. As part of this Settlement, and as further discussed in paragraph 3 below, Plaintiffs Navarro and Rodriguez agree to file a First Amended Complaint adding Rocco and Navarrete as Plaintiffs; NFI Management Services, LLC, NFI Industries, Inc., Sidney R. Brown; and Alvaro Mendoza as Defendants; and consolidating the claims of all the Plaintiffs and reflecting the scope of the claims settled and released herein (the "Operative Complaint"). The First Amended Complaint will allege claims for PAGA penalties predicated on the same or similar facts and/or claims alleged in the Actions and/or any PAGA Notices sent to the LWDA by Plaintiffs.

e. Defendants deny the allegations in each of the Plaintiffs' respective Complaints and in the Operative Complaint, deny any failure to comply with the laws identified in Plaintiffs' respective Complaints and the Operative Complaint and deny any and all liability of the causes of action alleged, including those alleged in the Plaintiffs' respective PAGA notices.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs each gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.

2.3. On April 17, 2025, counsel for Plaintiffs Navarro and Rodriguez and Defendants participated in an all-day mediation presided over by Steve Rottman, which led to this Agreement to settle the Actions.

2.4. Prior to mediating the Settlement, Plaintiffs obtained, through informal discovery, PAGA group information for the PAGA periods, time and wage records for the Aggrieved Employees, Plaintiffs' personnel files, information regarding Defendants' policies and practices during the PAGA periods, and information regarding prior settlements or judgements to aid in preparation of Plaintiffs' evaluation of the claims and formulation of a PAGA penalties model. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*"). Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The following pending matters or actions asserting claims under PAGA will be extinguished or affected by the Settlement:

(a) Armando Jesus Balderas, Jr. v. National Distribution Centers, LLC, et al., San Bernardino County Superior Court, Case No. CIVSB2416360;

- (b) Joseph Granados v. National Distribution Centers, LLC, et al., Los Angeles County Superior Court, Case No. 24PSCV01690;
- (c) Narcizo Tovar v. National Distribution Centers, LLC, et al., Los Angeles County Superior Court, Case No. 24STCV17785; and
- (d) Larell Epps v. National Distribution Centers, LLC, et al., San Bernardino County Superior Court, Case No. CIVSB2340528

3. AMENDMENT OF PAGA NOTICES AND COMPLAINT. The Parties have stipulated, for settlement purposes only, to the amendment of the Complaint in the Navarro PAGA Action to add Rocco and Navarrete as additional plaintiffs and to incorporate the PAGA allegations by Plaintiffs in the Navarrete PAGA Action and in the Rocco PAGA Action. The parties will file a stipulation to the amendment of the Navarro PAGA Action Complaint within 14 days of full execution of this Agreement. Within 5 days after the Court in the Navarro PAGA Action approves the filing of the Amended Complaint, Plaintiff Navarrete will dismiss the Navarrete PAGA Action without prejudice and Plaintiff Rocco will dismiss the Rocco PAGA Action without prejudice. This settlement is contingent on the Court approving the parties' stipulation and order to file the Amended Complaint in the Navarro PAGA Action, and to the dismissal of the Navarrete PAGA Action and the Rocco PAGA Action. The Parties agree to this amendment for settlement purposes only, and without prejudice to any arguments either party might make should the settlement not be approved, in which case the First Amended Complaint would be withdrawn by Plaintiffs.

4. MONETARY TERMS

4.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant NDC promises to pay Two Million Eight-Hundred Thousand Dollars and Zero Cents (\$2,800,000.00). Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

4.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

4.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount (or \$933,333.33.00) and PAGA Counsel Litigation Expenses Payment of not more than \$50,000.00. Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder as PAGA Penalties. Released Parties shall have no liability to PAGA Counsel or any

other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

4.2.2. To Plaintiffs: A PAGA Representative Service Payment to Plaintiffs Navarro, Rodriguez, Navarrete of up to \$12,500.00 each and a PAGA Representative Service Payment of \$17,500 to Plaintiff Rocco in exchange for their service in the Actions and the respective releases of their individual claims stated in Paragraphs 6.1 and 6.11, subject to the approval of the Court. Defendants will not oppose Plaintiffs' request for a PAGA Representative Service Payment that does not exceed these amounts. The Administrator will issue an IRS Form 1099 to Plaintiffs for the PAGA Representative Service Payment. If the Court approves a PAGA Representative Service Payment less than the amounts requested, the Administrator will allocate the remainder to PAGA Penalties.

4.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$33,950.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$33,950.00, the Administrator will allocate the remainder to the PAGA Penalties.

4.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of the Gross Settlement Amount less the amounts approved by the Court for the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, PAGA Representative Service Payment, Administration Expenses Payment, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

4.3. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

5. SETTLEMENT FUNDING AND PAYMENTS.

5.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates that the NDC, OTS (or its affiliate Eclipse) and Randstad Aggrieved Employees worked a total of 520,000 Pay Periods during the PAGA Periods through the date of mediation on April 17, 2025. No later than 30 days before the hearing on Plaintiffs' motion for approval of settlement, Defendants will verify the total number of Aggrieved Employee Pay Periods and inform counsel for Plaintiffs of whether the Escalator Provision in Paragraph 9 has been triggered.

5.2. Aggrieved Employee Data. Within 30 days of the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

5.3. Funding of Gross Settlement Amount. Defendant NDC shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 21 days after the Effective Date.

5.4. Payments from the Gross Settlement Amount. Within 21 days after Defendant NDC funds the Gross Settlement Amount, the Administrator will calculate the Individual PAGA Payments and mail checks for all Individual PAGA Payments, the PAGA Representative Service Payment, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

5.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

5.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

5.4.4. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when Defendant NDC fully funds the entire Gross Settlement Amount, Plaintiffs, the LWDA, and PAGA Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. In exchange for PAGA Representative Service Payments and their release of claims, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions, the Operative Complaint and the PAGA Notices and all PAGA claims that were, or reasonably could have been alleged based on facts ascertained during the Action and released under paragraphs 6.1.1 and 6.2 below ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

6.2 Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Periods facts stated in the Action, the Operative Complaint and the PAGA Notices or ascertained in the course of the Action.

6.3 Release by PAGA Counsel. PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Action, the Operative Complaint and the PAGA Period facts stated in the Action, the Operative Complaint and the PAGA Notices or ascertained in the course of the Action.

7. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

7.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs and PAGA Counsel shall disclose the pending PAGA cases as stated in Paragraph 2.5 that will be extinguished or adversely affected by the Settlement.

7.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

7.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

8.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

9. AGGRIEVED EMPLOYEES' PAY PERIODS and ESCALATOR CLAUSE

Based on its records, Defendant estimates that the NDC, OTS (or its affiliate Eclipse) and Randstad Aggrieved Employees worked approximately 520,000 Pay Periods during the PAGA Periods through the mediation on April 17, 2025. If the number of PAGA Pay Periods exceed 520,000 by more than 10% (e.g., exceeds 572,000 Pay Periods) Defendants will have the option to either (1) increase the Gross Settlement Amount on a pro-rata basis for the excess PAGA Pay Periods over 10% (i.e., if the number of PAGA Pay Periods exceeds 520,000 by 11%, the Gross Settlement Amount shall increase by 1%); or (2) end the PAGA Release Periods on a date so as not to exceed 572,000 PAGA Pay Periods to avoid increasing the Gross Settlement Amount.

10. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved

and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Penalties.

11. ADDITIONAL PROVISIONS.

11.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaints have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

11.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any mediation of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

11.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

11.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

11.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

11.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third

business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Seung L. Yang, seung.yang@thesentinel-firm.com
Tiffany Hyun, tiffany.hyun@thesentinel-firm.com
Jeffrey Jackson, jeffrey.jackson@thesentinel-firm.com
The Sentinel Firm, APC
355 S. Grand Ave., Suite 1450
Los Angeles, CA 90071

David Bibiyan, david@tomorrowlaw.com
Vedang J. Patel, vedang@tomorrowlaw.com
Bibiyan Law Group, P.C.
1460 Westwood Boulevard
Los Angeles, CA 90024

To Defendants National Distribution Centers, LLC; NFI Management Services, LLC; NFI Industries, Inc.; Sidney R. Brown; Alvaro Mendoza; and OTS Solutions, LLC:

Allison S. Wallin, awallin@littler.com
LITTLER MENDELSON, P.C.,
2049 Century Park East, 5th Floor,
Los Angeles, CA 90067-3107

Alvin Arceo, aarceo@littler.com
Valentina Wilson, vwilson@littler.com
LITTLER MENDELSON, P.C.
101 Second Street, Suite 1000
San Francisco, California 94105

To Defendant Randstad US, LLC:

Daniel Whang, dwhang@seyfarth.com
Ping Wang, pwang@seyfarth.com
Seyfarth Shaw LLP
2029 Century Park East, Suite 3500
Los Angeles, CA 90067-3021

11.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed

counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.17 Stay of Litigation. Parties agree that upon the execution of this Agreement the Action shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that within 5 court days of the execution of this Agreement, the parties will file a stipulation seeking to stay this Action pending approval of the Settlement.

[SIGNATURES ON NEXT PAGE]

Dated: _____

EWCH

Dated: 07 / 08 / 2025

7-0

Dated: _____

Dated: _____

Dated: 8/4/25

CENTERS, LLC



Signature

By:

Sarah Pontoski

Its:

VP ASSOC GC

Dated: 8/4/25

Signature

By:

Sarah Pontowski

Its:

VP Assoc GC

Dated: 8/4/25

16

Dated: _____

PLAINTIFF EDGAR NAVARRO

Edgar Navarro

Dated: _____

PLAINTIFF OMAR RODRIGUEZ

Omar Rodriguez

Dated: 07/28/25

PLAINTIFF ZUBAN ISIDOR NAVARRETE


Zuban Isidor (Jul 28, 2025 18:58:12 EDT)
Zuban Isidor Navarrete

Dated: 07/19/25

PLAINTIFF ENRIQUE ROCCO

Enrique Ricky Rocco
Enrique Ricky Rocco (Jul 19, 2025 15:11 PDT)
Enrique Rocco

Dated: _____

NATIONAL DISTRIBUTION
CENTERS, LLC

Signature

By: _____
Name

Its: _____
Title

Dated: _____

NFI MANAGMENT SERVICES, LLC

Signature

By: _____
Name

Its: _____
Title

Dated: _____

NFI INDUSTRIES, INC.

Dated: 8/4/25

Dated: _____

Dated: August 21, 2025

Dated: 7/30/25

APPROVED AS TO FORM


Signature

By: Sarah Pontuski
Name

Its: VP Assoc GC
Title

SIDNEY R. BROWN


Sidney R. Brown

ALVARO MENDOZA

Alvaro Mendoza

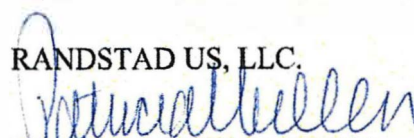
OTS SOLUTIONS, LLC.


Signature

By: Stuart Sklar
Name

Its: General Counsel
Title

RANDSTAD US, LLC.


Signature

By: Patricia Mullen
Name

Its: Sr Deputy General Counsel
Title

Dated: 8.1.2025

LITTLER MENDELSON P.C.

Allison S. Wallin

Allison S. Wallin
Attorneys for National Distribution Centers,
LLC and OTS Solutions, LLC

Dated: _____

SEYFARTH SHAW LLP

Daniel Whang
Ping Wang
Attorneys for Randstad US, LLC

Dated: _____

THE SENTINEL FIRM, APC

Seung L. Yang
Tiffany Hyun
Jeffrey Jackson
Attorneys for Plaintiffs Edgar Navarro and
Omar Rodriguez

Dated: _____

BIBIYAN LAW GROUP, P.C.

Vedang J. Patel

David Bibiyan
Vedang J. Patel
Attorneys for Plaintiffs Zuban Isidor
Navarrete and Enrique Rocco

Dated: _____

LITTLER MENDELSON P.C.

Allison S. Wallin
Attorneys for National Distribution Centers,
LLC and OTS Solutions, LLC

Dated: _____

SEYFARTH SHAW LLP

Daniel Whang
Ping Wang
Attorneys for Randstad US, LLC

Dated: July 1, 2025

THE SENTINEL FIRM, APC



Seung L. Yang
Tiffany Hyun
Jeffrey Jackson
Attorneys for Plaintiffs Edgar Navarro and
Omar Rodriguez

Dated: _____

BIBIYAN LAW GROUP, P.C.

David Bibiyan
Vedang J. Patel
Attorneys for Plaintiffs Zuban Isidor
Navarrete and Enrique Rocco