SETTLEMENT AGREEMENT

This settlement agreement ("**Settlement**" or "**Agreement**") is made and entered into between Employee Terrea McGill ("**Employee**" or "**Plaintiff**"), acting in her capacity as private attorney general, and Employer Professional Exchange Service Corporation ("**Defendant**" or "**Employer**").

This Agreement is subject to the approval of the Court and is made for the sole purpose of consummating the settlement of this PAGA Action subject to the following terms and conditions. As detailed below, in the event the Court does not enter orders consistent with the terms of the Settlement or the conditions precedent are not met for any reason, this Agreement shall be void and shall be of no force or effect whatsoever.

I. DEFINITIONS

The following terms, when used in this Settlement, shall have the meanings specified below. To the extent terms or phrases used in this Agreement are not specifically defined below, but are defined elsewhere in this Agreement, they are incorporated by reference into this definition section.

1. The "**Action**" means the matter entitled *Terrea McGill v. Professional Exchange Service Corporation.*, Case No. CV-24-006343 and as set forth in Employee's correspondence to the California Labor and Workforce Development Agency, dated August 12, 2024 ("**LWDA Notice**"), and subsequently filed as a civil action on or about August 12, 2024 in Stanislaus County Superior Court, and any amendments thereto.

2. **"Aggrieved Employees"** consist of all current and former non-exempt employees of Defendant Professional Exchange Service Corporation who performed work in California for Defendant at any time from August 12, 2023 to September 11, 2025.

3. "**Court**" means the Superior Court of California for the County of Stanislaus.

4. "**Effective Date**" means the date upon which the Parties sign the Settlement Agreement.

5. "**Employee**" or "**Plaintiff**" means Terrea McGill.

6. "**Employee's Counsel**" means Daniel J. Brown and Kathleen Becket of Stansbury Brown Law, PC.

7. "**Employer**" or "**Defendant**" means Professional Exchange Service Corporation.

8. "**Escalator Clause**"**:** Employer represents that there are 2,300 pay periods during the PAGA Period. If the actual number of pay periods worked at the close of the PAGA Period is five percent (5.0%) more than 2,300 pay periods, then Employer shall increase the Gross Settlement Amount on a pro-rata basis equal to the increase in the number of pay periods (e.g., if the number increases by 8%, Employer will increase the GSA by 8%)

9. "**Gross Settlement Amount**" is a non-reversionary sum of One Hundred Twenty-Five Thousand Dollars and Zero Cents ($125,000.00), which represents the total amount payable under this settlement by Employer (subject to the Escalator Clause described above), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment to Plaintiff for her Service Award and general release, and payment of Employee's attorneys' fees and costs.

10. "**Individual Settlement Payment**" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

11. "**LWDA**" means the California Labor and Workforce Development Agency.

12. **"Net Settlement Amount"** is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (subject to Courts approval) are subtracted from the Gross Settlement Amount: (a) Employee's attorneys' fees up to approximately thirty-five percent of the Gross Settlement Amount, currently estimated at Forty-Three Thousand Seven Hundred Fifty Dollars and Zero Cents ($43,750.00) (b) Employee's reasonable verified litigation costs up to Sixteen Thousand Seven Hundred Ten Dollars and Zero Cents ($16,710.00) (c) Five

Thousand Dollars and Zero Cents ($5,000.00) for Plaintiff's Service Award and (d) Settlement Administration costs and expenses of up to Three Thousand Nine Hundred Ninety Dollars and Zero Cents ($3,990.00).

13. "**PAGA**" means the California Labor Code Private Attorneys General Act, California Labor Code § 2689, *et seq.*

14. "**PAGA Period**" means the time period from August 12, 2023 to September 11, 2025.

15. "**Second Amended Complaint**" means the Second Amended Complaint Plaintiff shall file at the same time as her PAGA approval motion removing class allegations, which will be dismissed without prejudice.

16. "**Parties**" means Employee and Employer.

17. **"Service Award"** means the payment of up to Five Thousand Dollars and Zero Cents ($5,000.00) for Plaintiff's service to aggrieved employees and the LWDA and for her general release of claims.

18. **"Settlement Administrator"** means Apex Class Action LLC whom the Parties have agreed to engage to administer the Settlement.

II. RECITALS

1. Employee alleges that Employer failed to provide Aggrieved Employees with accurate wage statements, failed to provide compliant meal and rest periods or premium pay in lieu thereof, failed to pay all minimum and overtime wages, and consequently failed to pay all wages at separation of employment. Employee also alleged that Employer failed to reimburse Aggrieved Employees for necessary business purchases including use of their personal cellular phones for work purposes. Employee further alleges that Employer failed to make necessary disclosures to Aggrieved Employees pursuant to Labor Code Section 2810.5. Employee alleges

that Employer is therefore liable for civil penalties under PAGA. Employer denies these allegations.

2. On August 12, 2024, Employee provided a written notice of her intent to file a claim for civil penalties under PAGA to the LWDA and Employer for alleged violations of a variety of California Labor Code Sections, as described in Section II.1.

3. On April 12, 2024, Employee filed the Action.

4. On October 28, 2024, Employee amended her complaint to add a ninth cause of action for civil penalties under the Private Attorneys General Act.

5. The Parties agreed to participate in a full-day mediation with Henry Bongiovi, Esq. of Bongiovi Mediation to take place on August 11, 2025. Employee propounded informal discovery requests to Employer in anticipation of the mediation pertaining to Employee and the other Aggrieved Employees' time and pay records amongst other information and documents in order to allow for Employee's Counsel to investigate Employee's allegations and value the PAGA claim.

6. On August 11, 2025, the Parties participated in a mediation with Henry Bongiovi, Esq. eventually reaching settlement via mediator's proposal.

III. <u>OPERATIVE TERMS OF SETTLEMENT</u>

The Parties agree as follows:

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

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

a. Employee's Attorneys' Fees and Costs: Employer will not oppose Employee's request for attorneys' fees in the amount up to approximately thirty-five percent of the Gross Settlement Amount, which is currently estimated at Forty-Three Thousand Seven Hundred Fifty Dollars and Zero Cents ($43,750.00) and actual costs incurred in prosecuting this Action, up to Sixteen Thousand Seven Hundred Ten Dollars and Zero Cents ($16,710.00). In the event the Court approves a net payment less than these amounts, the difference will be added to the Net Settlement Amount (although Employee may appeal an order granting less than the full amount sought for attorneys' fees and costs). Employer will report these payments on IRS Form 1099 issued to Employee's Counsel.

b. Payment to Employee for Service Award: Employer will not oppose Employee's request of up to Five Thousand Dollars and Zero Cents ($5,000.00) for Employee's Service Award, subject to Court approval, in recognition of Employee's contributions to the Action, service to Aggrieved Employees, and her general release described below. Employer will report this payment on IRS Form 1099 issued to Employee.

c. Settlement Administration: Up to Three Thousand Nine Hundred Ninety Dollars and Zero Cents ($3,990.00) from the Gross Settlement Amount for the Settlement Administrator's services.

3. **Allocation of Net Settlement Amount:** The Net Settlement Amount shall be distributed 65% to the LWDA and 35% to the Aggrieved Employees, pursuant to Labor Code § 2699. The 35% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved

Employees based on the proportionate number of pay periods worked by each Aggrieved Employee during the PAGA period.

4. **PAGA Release:** Upon entry of an Order approving the Settlement, Plaintiff and the Aggrieved Employees will release Defendant Professional Exchange Services Corporation from any and all claims for civil penalties alleged in the LWDA Notice to the LWDA and in the Second Amended Complaint, and any other claims for civil penalties based on the facts pled in those documents, including but not limited to: (1) Minimum Wage Violations; (2) Failure to Pay All Overtime Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Waiting Time Penalties; (6) Wage Statement Violations; (7) Unfair Competition; and (8) Failure to Reimburse for Necessary Business Expenses. This release covers all such claims arising during the PAGA Period. The release is limited to claims for civil penalties under PAGA and does not release the individual claims of the Aggrieved Employees.

5. **Plaintiff's Release of Unknown Claims:** In light of her Service Award, Plaintiff agrees to release, in addition to the PAGA Released Class described above, all claims, whether known or unknown, under federal law or state law against Defendant Professional Exchange Services Corporation. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers compensation claims or any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that she is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

> **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. **Court Approval:** After full execution of this Agreement, Employee shall promptly move the court for approval of the Settlement, as well as approval of all amounts to be deducted from the Gross Settlement Amount. Employer shall not oppose the motion, and shall make

reasonable efforts to cooperate in obtaining approval of the Settlement. Counsel for Employee shall submit the Agreement to the Court and LWDA, as necessary under Labor Code section 2699(l) and any other applicable provision. Should the Court not grant approval of this Agreement or should the LWDA object to this Agreement, then the entirety of the Agreement shall be null and void, unless otherwise agreed upon in writing by the Parties. The Court shall retain jurisdiction to enforce the terms and conditions of the judgment.

7. **Releases Effective Upon Full Payment:** The Release identified in Paragraphs 4 and 5 will become effective upon full payment of the Gross Settlement Amount pursuant to section IV of this Settlement. However, no obligation to pay the Gross Settlement Amount shall accrue unless and until the Court has entered an Order approving the Settlement. If no such Order is entered, Employer shall have no obligation to pay the Gross Settlement Amount.

8. **Covenants and Representation by Employee:**

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

b. Employee acknowledges that she has read this Settlement, that she fully understands her rights, privileges and duties under the Settlement, and enters into this Settlement freely and voluntarily. Employee further acknowledges that she had the opportunity to consult with her attorneys to explain the terms of the Settlement and the consequences of signing this Settlement.

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

Employees. The Court's entry of judgment shall not be deemed a finding against or an admission by Employer of any liability. The Parties agree to reasonably cooperate in preparing any other filings required by the Court for approval of this Settlement.

IV. ADMINISTRATION OF SETTLEMENT

1. **Provision of Information for Aggrieved Employees to Settlement Administrator.** Defendant shall transfer the Gross Settlement Amount to the Settlement Administrator within ten (10) court days of the Court granting approval of this Settlement along with an employee list including the names, last known addresses, dates of employment, and social security numbers (in electronic format) of Aggrieved Employees, as well as the total pay periods worked by each Aggrieved Employee during the PAGA Period.

2. **Provision of Information for Aggrieved Employees and Payment:** The Settlement Administrator shall provide counsel for both Parties an anonymized spreadsheet containing the Individual Settlement Payments to each Aggrieved Employee and the data used to calculate said payments within fifteen (15) court days of the Court approval of the Settlement. The Settlement Administrator shall obtain approval from all counsel for the Parties of the calculations before mailing Individual Settlement Payments.

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

No later than twenty (20) court days after Court approval of the Settlement, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with the Individual Settlement Payments to all Aggrieved Employees via First-Class U.S. Mail. Each Individual Settlement Payment shall be deemed penalties and reported using IRS Form 1099.

Checks will remain negotiable for one hundred eighty (180) days from the date the Settlement Administrator mails them. The funds from any check that is not negotiated within one hundred eighty (180) days of mailing to an Aggrieved Employee shall be transferred to the Boys & Girls Club of Stanislaus County as the designated *cy pres* recipient within two hundred and twenty (220) days of the date the Settlement Administrator mails the checks.

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

Any Checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a Skip-Trace or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will perform a single re-mailing.

Employer fully discharges its obligations to those Aggrieved Employees to whom they will pay an Individual Settlement Payment through the Settlement Administrator's initial mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees.

5. **Payment of Remainder:** No later than twenty (20) court days after Court approval of the Settlement, the Settlement Administrator will distribute the following additional payments: (1) the 65% share of the Net Settlement Amount to the LWDA; (2) Court-approved attorneys' fees and costs to Employee's Counsel; (3) Employee's Service Award; and (4) Settlement Administrator fees and expenses.

6. **Accounting:** Within fourteen (14) Court days following the initial mailing of the Individual Settlement Payments, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement. The Settlement Administrator shall

provide an updated accounting under oath within fourteen (14) days following the disbursement of any funds to the designated *cy pres*.

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

V. MISCELLANEOUS PROVISIONS

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

2. **Costs and Fees:** The Parties shall bear their own costs, attorneys' fees, mediator fees and other fees incurred in connection with this Settlement, the Action and Employee's claims, except as otherwise set forth specifically herein.

3. **Governing Law:** This Settlement shall be construed under and governed by the laws of the State of California. Any questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of Stanislaus.

4. **Amendment or Modification:** This Settlement may be amended or modified only by written instrument, signed by the Parties or their successors-in-interest or counsel for the Parties.

5. **Authorization to Enter into Settlement:** Counsel for the Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to

effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If they are unable to reach agreement on the form or content on any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

6. **Execution and Counterparts:** The Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

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

9. **Enforcement of Action:** The Parties agree that the Stanislaus County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure Section 664.6. 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.

10. **Mutual Preparation:** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, this Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one or more 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.

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

12. **Cooperation and Execution of Necessary Documents:** The Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to seek the Court's approval of this Agreement are timely filed.

13. **Binding Agreement:** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that might apply under federal or state law.

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

Dated: ~~September~~____, 2025 10/9/2025

Terrea McGill

Signed by:

Terrea Mcgill

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Terrea McGill, Employee

Dated: ~~September~~ October 2nd, 2025

Professional Exchange Service Corporation

By: Mathew Haas
Its: Pres & CEO

APPROVED AS TO FORM:

Dated: September____, 2025 **October 10, 2025**

Stansbury Brown Law, PC

Daniel. J Brown, Esq.
Attorney for Employee

Dated: ~~September____, 2025~~ October 02, 2025

Sagaser, Watkins & Wieland PC

Bill Woolman
Attorneys for Employer

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF STANISLAUS

TERREA MCGILL, as an individual, and on behalf of all others similarly situated, Plaintiff, v. PROFESSIONAL EXCHANGE SERVICE CORPORATION, a California corporation; and DOES 1 through 100, inclusive, Defendants.	Case No. CV-24-006343 **NOTICE OF SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIM (CAL. LABOR CODE § 2698 *ET SEQ.*)** *Complaint Filed: August 12, 2024*

You have been identified as a current or former non-exempt employee of Professional Exchange Service Corporation ("Employer" or "Defendant") employed at any time between August 12, 2023 to September 11, 2025 ("PAGA Period") ("Aggrieved Employee").

On August 12, 2024, Plaintiff Terra McGill ("Employee" or "Plaintiff") filed a lawsuit against Defendant. As amended, Plaintiff's lawsuit seeks to recover civil penalties for Defendant's alleged failure to pay all wages during employment and upon separation of employment, failure to provide proper meal and rest periods, failure to timely pay all wages, failure to reimburse necessary business expenses, failure to maintain accurate records, 3failure to provide legally mandated disclosures and/or written notices regarding the terms of employment under Labor Code § 2810.5, and failure to issue accurate and complete wage statements to Aggrieved Employees (the "Action").

Employer denies Plaintiff's allegations in the Action and disputes all of Plaintiff's claims. Plaintiff and Employer reached a settlement of the claims for PAGA civil penalties alleged in the Action. The Court approved the settlement on <<<DATE OF PAGA APPROVAL>>>. The payment which accompanies this notice is made to you pursuant to the terms of the Settlement.

The Court-approved settlement contains the following release of claims, to which you are bound:

> Upon entry of an Order approving the Settlement, Employee and Aggrieved Employees will fully and finally release and discharge Defendant any and all claims

for civil penalties alleged in the LWDA Notice to the LWDA and in the Second Amended Complaint, and any other claims for civil penalties based on the facts pled in those documents, including but not limited to: (1) Minimum Wage Violations; (2) Failure to Pay All Overtime Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Waiting Time Penalties; (6) Wage Statement Violations; (7) Unfair Competition; and (8) Failure to Reimburse for Necessary Business Expenses. This release covers all such claims arising during the PAGA Period. The release is limited to claims for civil penalties under PAGA and does not release the individual claims of the Aggrieved Employees.

If you have any questions, you may contact either Plaintiff's Counsel or Defendant's Counsel.

Plaintiff's Counsel's contact information: Daniel J. Brown, Esq. of Stansbury Brown Law, PC, 2610 ½ Abbot Kinney Blvd., Venice, CA 90291, (323) 204-3124

Defendant's Counsel's contact information: William M. Woolman Esq. of Sagaser, Watkins & Wieland PC, 5260 N. Palm Ave., Ste. 400, Fresno, CA 93704 (559) 213-7000