~~COURTESY COPY~~ B.D.

FILED
Clerk of the Superior Court
SEP 18 2026
By: B. Delgado, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

RAMIRO DIAZ as an individual and on behalf of all others similarly situated, Plaintiff, v. J&A COMPANIES INC., a Nevada Corporation; MAACO COLLISION REPAIR AND AUTO PAINTING, a Nevada Corporation, and DOES 1 through 50, inclusive; Defendants.	Case No.: 25CU054698C ASSIGNED FOR ALL PURPOSES TO: HON. MARCELLA O. MCLAUGHLIN **[PROPOSED] ORDER GRANTING FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AND JUDGMENT** Date: September 18, 2026 Time: 9:30 AM Dept.: C-72

[PROPOSED] ORDER

WHEREAS, this matter has come before the Court for hearing on August 14, 2026 pursuant to the Order Granting Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement dated May 1, 2026, for final approval of the Settlement between Plaintiff Ramiro Diaz ("Plaintiff") and Defendants J&A Companies Inc., dba Maaco Collision Repair and Auto Painting ("Defendants") (collectively referred to as "the Parties") as set forth in the Class Action and PAGA Settlement Agreement ("Settlement" or "Settlement Agreement") attached hereto as **Exhibit A**, and the Court having considered all papers filed and the proceedings had and otherwise being fully informed.

THE COURT HEREBY MAKES THE FOLLOWING DETERMINATIONS AND ORDERS:

1. This Order incorporates by reference the definitions in the Settlement Agreement, and all terms defined therein shall have the same meaning in this Order as set forth in the Settlement Agreement. A copy of the Settlement Agreement is attached hereto as **Exhibit A.**

2. This Court has jurisdiction over the subject matter of this litigation and over all Parties to this litigation, including Plaintiff Ramiro Diaz and all 557 "Class Members".

3. Pursuant to the Preliminary Approval Order, the appointed Settlement Administrator, ILYM Group, Inc. ("Settlement Administrator"), implemented a comprehensive notice program. The Settlement Administrator received the Class Data on May 14, 2026, and mailed the Court-Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Notice Packet"), in English and Spanish, to all 557 "Class Members" by First-Class U.S. Mail on May 28, 2026. On May 28, 2026, a link to ILYM Group's website was set up for Class Members to access relevant court documents. The website link is www.ILYMGroup.com/J&ACompanies. Of the 75 Notice Packets returned as undeliverable, the Settlement Administrator performed skip-trace searches and successfully re-mailed 37 packets to updated addresses, with 38 notices remaining undeliverable. The Settlement Administrator received zero requests for exclusion.

4. The Court finds that the Settlement, which provides for a Gross Settlement Amount of Five Hundred Thousand Dollars and Zero Cents ($500,000.00) and a Net Settlement Amount of Two Hundred Fifty-Seven Thousand One Hundred One Dollars and Seventy-Two Cents ($257,101.72), offers significant monetary recovery to the 557 Class Members. The Court finds that such recovery is fair, adequate, and reasonable when balanced against the risks, expenses, and delays of continued litigation, particularly concerning contested liability and damages issues.

5. The Court hereby orders the Settlement Administrator to distribute Individual Class Payments and Individual PAGA Payments to Settlement Class Members and Aggrieved Employees in accordance with the provisions of the Settlement Agreement. The Individual Class Payment and Individual PAGA Payment checks shall remain valid for a period of one hundred eighty (180) calendar days.

6. All Settlement Class Members and Aggrieved Employees, regardless of whether or not they cash their Individual Class Payment and/or Individual PAGA Payment checks, will be bound by the releases detailed in this Settlement Agreement. Settlement Class Members and Aggrieved Employees must cash or deposit their Individual Class Payment and Individual PAGA Payment checks within one hundred eighty (180) calendar days after the checks are mailed to them. If any checks remain uncashed or not deposited by the expiration of the 180-day period, the Settlement Administrator will submit the amount of the uncashed or not deposited payments to the California State Controller as unclaimed property in the name of the Settlement Class Member or Aggrieved Employee who did not cash his or her check.

7. The Court finds that the Gross Settlement Amount ($500,000.00), Net Settlement Amount ($257,101.72), and the methodology used to calculate and pay each Individual Class Payment and Individual PAGA Payment, in accordance with the Settlement, are fair, adequate, and reasonable, and are hereby approved. Each Individual Class Payment shall be calculated by dividing the Net Settlement Amount by the total number of Workweeks (28,210.80) worked by all Participating Class Members during the Class Period and multiplying the result by each

Participating Class Member's Workweeks. The tax allocation shall be ten percent (20%) to wages (reported on IRS Form W-2 and subject to withholding) and sixty-six percent (80%) to non-wage amounts (reported on IRS Form 1099). Defendant shall separately pay all employer payroll taxes owed on the wage portion. The average gross payment to Settlement Class Members is $461.58, with the highest gross payment being $2,551.80 and the lowest gross payment being $1.28.

8. For purposes of this Final Approval Order and this Settlement only, the Court hereby confirms the appointment of Ramiro Diaz as the Class Representative for the 557 Settlement Class Members. The Court finally approves and awards the Class Representative Service Payment to Plaintiff, as fair and reasonable, in the amount of Fifteen Thousand Dollars and Zero Cents ($15,00.00). The Court hereby orders the Settlement Administrator to distribute the Class Representative Service Payment to Plaintiff in accordance with the provisions of the Settlement Agreement.

9. The Court hereby approves the PAGA Allocation of Twenty Thousand Dollars and Zero Cents ($20,000.00) from the Gross Settlement Amount as penalties payable pursuant to the Private Attorneys General Act (Labor Code § 2699 et seq.).

10. For purposes of this Final Approval Order and this Settlement only, the Court hereby confirms the appointment of Amir H. Seyedfarshi of Employment Rights Lawyers, APC and Farrah Mirabel of Law Offices of Farrah Mirabel as Class Counsel for the Settlement Class Members. The Court hereby finally approves and awards attorney fees in the amount of One Hundred Seventy-Five Dollars and Zero Cents ($175,000.00).

11. Further, the Court approves litigation costs in the amount of Twenty-Four Thousand Thirty-One Dollars and Ten Cents ($24,031.10). Class Counsel's receipt of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment shall fully satisfy all fees and litigation costs incurred by Class Counsel in representing Plaintiff and Class Members in the Action. The Court hereby orders the Settlement Administrator to distribute the Class Counsel

Fees Payment and Class Counsel Litigation Expenses Payment to Class Counsel in accordance with the Settlement Agreement.

12. For purposes of this Final Approval Order and this Settlement only, the Court hereby confirms the appointment of ILYM Class Action Administration Group, Inc. ("ILYM"), as the Settlement Administrator to administer the Settlement of this matter as more specifically set forth in the Settlement Agreement.

13. As of the date of this declaration, ILYM Group has received zero requests for exclusion. The deadline to request exclusion from the Settlement was July 27, 2026. Thus, 557 out of the 557 Settlement Class Members are Participating Class Members.

14. The "Released Parties" means Defendants J&A Companies Inc., dba Maaco Collision Repair and Auto Painting and its past, present, and future owners, officers, directors, members, managers, management and executive-level employees, agents, representatives, attorneys, insurers, parent companies, subsidiaries, affiliates, successors, and assigns. The "Released Class Claims" are defined as:

> Any and all claims, demands, rights, liabilities, and causes of action that were asserted in the Operative Complaints, or that could have been asserted based on the factual allegations contained therein, for the duration of the Class Period (the “Released Class Claims”). The Released Class Claims specifically include, without limitation, all claims for: 1) Failure to provide compliant meal periods or pay premiums in violation of California Labor Code §§ 226.7 and 512; 2) Failure to provide compliant rest breaks or pay premiums in violation of California Labor Code §§ 226.7; 3) Failure to pay all overtime worked in violation of California Labor Code §§ 520, 1194, and 1198; 4) Failure to pay minimum wages and pay for all wages earned in violation of California Labor Code §§ 1194 and 1197; 5) Failure to provide and maintain accurate itemized wage statements in violation of California Labor Code §§ 226(a), 1174(d), and 1198.5; 6) Failure to pay timely wages in violation of California Labor Code §§ 204 and 210; 7) Waiting time

penalties in violation of California Labor Code §§ 201, 202, and 204; 8) Failure to reimburse required business expenses in violation of California Labor Code § 2802; 9) Failure to pay for vacation time in violation of Labor Code § 227.3; 10) Failure to timely pay COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, 248.2, 248.6; 11) Failure to allow inspection of employment records in violation of Labor Code §§ 1198.5 and 2810.5; 12) Unfair business practices in violation of Business and Professional Code § 17200 *et seq*; and 13) Violation of the Private Attorney General Act of Labor Code § 2698 *et seq*.

Participating Class Members do not release any claims other than the Released Class Claims, including, but not limited to, claims for wrongful termination, discrimination in violation of the Fair Employment and Housing Act, workers' compensation, vested benefits, or any claims based on facts or conduct occurring outside the Class Period.

15. The Court further finds that all Aggrieved Employees, regardless of whether they submitted a Request for Exclusion from the Class Settlement, are deemed to have released the Released Parties from all Released PAGA Claims. All 286 Aggrieved Employees are bound by this PAGA release. The "Released PAGA Claims" are defined as:

Any and all claims for civil penalties under PAGA that were asserted in the PAGA Notice and the Operative Complaints, or that could have been asserted based on the factual allegations contained therein, for the duration of the PAGA Period (the "Released PAGA Claims"). This release covers claims for civil penalties pursuant to Labor Code § 2699, *et seq.*, arising from alleged violations of California Labor Code sections §§ 98.6, 201-205, 206.5, 210, 216, 218.5, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 233, 234, 245, 246, 246.5, 248.1, 248.2, 248.5, 248.6, 351, 510-512, 551-552, 558, 558.1, 1102, 1102.5, 1174, 1174.2, 1174.5, 1182.12, 1185, 1193.6, 1194-1197.1, 1194.2, 1198-1199.5 and 2698-2699, 2699.5, 2800, 2802, 2810.5, 3073.6, 6310 and 6311, and any other Labor Code sections premised on the facts alleged in the PAGA Notice and Operative Complaints.

16. The Court approves the payment of $209.61 to Natalie Alvarez for the balance of her settlement share since she was inadvertently and by Defendant's mistake was not initially included in the class list. Ms. Natalie Alvarez will be bound by the terms of the settlement agreement and the release obtained in the Class and PAGA settlement. The payment of $209.61 will come out of the attorneys fee award, such that the Gross Settlement Amount due by Defendants will not exceed $500,000 plus employer-side payroll taxes on the wage portion of the settlement.

17. Neither this Final Approval Order, the Settlement Agreement, nor any document referred to herein, nor any action taken to carry out the Settlement Agreement is, may be construed as, or may be used by Plaintiff as an admission by or against Defendants J&A Companies Inc., dba Maaco Collision Repair and Auto Painting or any of the other Released Parties of any fault, wrongdoing or liability whatsoever. Nor is this Final Approval Order a finding of the validity of any claims in the Action or of any wrongdoing by Defendant or any of the other Released Parties.

18. The Court hereby enters judgment, with prejudice, for the reasons set forth above, and in accordance with the terms set forth in the Settlement Agreement. This Order and Judgment is intended to be a final disposition of the Action in its entirety as to the class and PAGA claims and shall constitute a complete bar to any further litigation against the Released Parties concerning the Released Class Claims and Released PAGA Claims.

19. Without affecting the finality of this Final Approval Order and Judgment in any way, this Court hereby retains continuing and exclusive jurisdiction over the interpretation, implementation, and enforcement of the Settlement Agreement and all orders and judgments entered in connection therewith, pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h).

20. No later than 16 court days prior to the Post-Distribution Compliance Hearing, Plaintiff shall cause the Settlement Administrator to file a declaration with the Court reporting on the status of the settlement administration. Pursuant to California Code of Civil Procedure section 384, subdivision (b), the report shall be in the form of a declaration from the Settlement Administrator, and shall describe: (i) the date the checks were mailed to Settlement Class Members and Aggrieved Employees; (ii) the total number of checks mailed; (iii) the average amount of those checks; (iv) the number of checks that remained uncashed; (v) the total value of those uncashed checks; (vi) the average amount of the uncashed checks; (vii) the nature and date of the disposition of unclaimed funds transmitted to the California State Controller's Unclaimed Property Fund; and (viii) all other amounts disbursed pursuant to the Settlement Agreement, including payments for attorneys' fees and costs, the Class Representative Service Payment, PAGA payments to the LWDA and Aggrieved Employees, and settlement administration expenses.

IT IS SO ORDERED AND JUDGMENT IS HEREBY ENTERED.

Dated: Sept. 18, 2024

HONORABLE MARCELLA O. MCLAUGHLIN
JUDGE OF THE SUPERIOR COURT

EXHIBIT A

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

Subject to court approval, this Class Action and PAGA Settlement Agreement ("Agreement") is made and entered into by and between Plaintiff Ramiro Diaz ("Plaintiff"), on his own behalf and on behalf of the Settlement Class and the Settlement PAGA Group defined below, and Defendants J&A COMPANIES INC. and MAACO COLLISION REPAIR AND AUTO PAINTING (collectively, "Defendants"). This Agreement refers to Plaintiff and Defendants collectively as the "Parties," or individually as a "Party."

This Agreement encompasses the civil action captioned *Ramiro Diaz v. J&A Companies, Inc., et al.,* filed in the Superior Court of the State of California for the County of San Diego, Case No. 25CU054698C (the "Action"). For the purposes of this Agreement, the term "Defendants" includes J&A COMPANIES INC., MAACO COLLISION REPAIR AND AUTO PAINTING.

This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the "Released Class Claims" and "Released PAGA Claims" (as defined below) on a class and representative action basis pertaining to the "Released Parties" (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon final Court approval, contains the essential terms of the Parties' agreement. Plaintiff and Class Counsel believe, and the Parties have agreed, that the settlement set forth in this Agreement confers substantial benefits upon the Settlement Class, the Settlement PAGA Group, and the State of California.

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

1.1. **"Action"**
means the civil action captioned *Ramiro Diaz v. J&A Companies, Inc., et al.,* filed in the Superior Court of the State of California for the County of San Diego, Case No. 25CU054698C.

1.2. **"Administrator" or "Settlement Administrator"**
means ILYM Settlement Group, the neutral third-party administrator the Parties have agreed to appoint to administer the Settlement, subject to Court approval.

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, which shall not exceed Eight Thousand Nine Hundred Fifty Dollars and Zero Cents ($8,950.00).

1.4. **"Class Counsel"**
means the Law Offices of Farrah Mirabel and Employment Rights Lawyers, APC.

1.5. **"Class Counsel Fees Payment"**
means the amount awarded by the Court to Class Counsel for attorneys' fees, which shall not exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, which is One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00).

1.6. **"Class Counsel Litigation Expenses Payment"**
means the amount awarded by the Court to Class Counsel as reimbursement for actual litigation costs and expenses incurred in the Action, which shall not exceed Twenty-Five Thousand Dollars and Zero Cents ($25,000.00).

1.7. **"Class Data"**
means information regarding Settlement Class Members from Defendants' records, including each Settlement Class Member's full name, last-known mailing address, Social Security number, and the number of Workweeks and PAGA Pay Periods worked during the applicable periods.

1.8. **"Class Period"**
means the time period from July 6, 2020, through November 18, 2025.

1.9. **"Class Representative" or "Plaintiff"**
means Ramiro Diaz.

1.10. **"Class Representative Enhancement Payment"**
means the payment to the Class Representative for his service in initiating and prosecuting the Action on behalf of the Settlement Class, in an amount not to exceed Fifteen Thousand Dollars and Zero Cents ($15,000.00), to be approved by the Court.

1.11. **"Court"**
means the Superior Court of the State of California for the County of San Diego.

1.12. **"Defendants"**
means J&A COMPANIES INC., MAACO COLLISION REPAIR AND AUTO

PAINTING.

1.13.**"Defense Counsel"**
means Katherine Den Bleyker and Kandice Canchan of O'Hagan Meyer LLP.

1.14.**"Effective Date"**
means the date upon which the Judgment becomes final. The Judgment shall become final on the latest of the following dates: (a) if no objections to the Settlement are filed, the date the Court enters the Judgment; (b) if objections are filed but no appeal is taken, the date on which the time to appeal from the Judgment expires; or (c) if an appeal is taken from the Judgment, the date on which the Judgment is affirmed on appeal and is no longer subject to any further judicial review.

1.15.**"Final Approval"**
means the Court's order granting final approval of the Settlement.

1.16.**"Final Approval Hearing"**
means the hearing at which the Court will be asked to grant Final Approval of the Settlement.

1.17.**"Gross Settlement Amount" or "GSA"**
means Five Hundred Thousand Dollars and Zero Cents ($500,000.00), which is the total, non-reversionary amount Defendants agree to pay to settle the Action. The GSA is inclusive of all payments under this Agreement, including the Net Settlement Amount, the PAGA Settlement Amount, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Enhancement Payment, and the Administration Expenses Payment. Defendants shall also be responsible for paying their share of any employer-side payroll taxes, which shall be separate from and in addition to the GSA.

1.18.**"Individual PAGA Payment"**
means the portion of the PAGA Employee Share paid to each member of the Settlement PAGA Group on a pro-rata basis according to the number of PAGA Pay Periods each individual worked during the PAGA Period.

1.19.**"Individual Settlement Payment"**
means the portion of the Net Settlement Amount paid to each Participating Class Member on a pro-rata basis according to the number of Workweeks each individual worked during the Class Period.

1.20.**"Judgment"**
means the judgment entered by the Court upon granting Final Approval of the Settlement.

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

1.22.**"LWDA PAGA Payment"**
means the portion of the PAGA Settlement Amount to be paid to the LWDA, which is seventy-five percent (75%) of the PAGA Settlement Amount, totaling Twenty Thousand Dollars and Zero Cents ($20,000.00).

1.23.**"Net Settlement Amount" or "NSA"**
means the Gross Settlement Amount less the Court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Enhancement Payment, Administration Expenses Payment, and the total PAGA Settlement Amount.

1.24.**"PAGA"**
means the California Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*

1.25.**"PAGA Employee Share"**
means the portion of the PAGA Settlement Amount to be paid to members of the Settlement PAGA Group as Individual PAGA Payments, which is twenty-five percent (25%) of the PAGA Settlement Amount, totaling Five Thousand dollars ($5000).

1.26.**"PAGA Notice"**
means the written notice provided by Plaintiff to the LWDA and Defendants pursuant to Labor Code § 2699.3, dated June 25, 2024.

1.27.**"PAGA Pay Period"**
means any pay period in which a member of the Settlement PAGA Group worked for Defendants at any time during the PAGA Period.

1.28.**"PAGA Period"**
means the time period from July 24, 2023 through November 18, 2025.

1.29.**"PAGA Settlement Amount"**
means the portion of the Gross Settlement Amount allocated to resolve the PAGA claims, totaling Twenty Thousand Dollars ($20,000.00), which shall be allocated between the LWDA PAGA Payment and the PAGA Employee Share.

1.30.**"Participating Class Member"**
means a Settlement Class Member who does not submit a timely and valid Request for Exclusion from the Settlement.

1.31.**"Parties"**
means Plaintiff Ramiro Diaz (on behalf of himself, the Settlement Class, and the Settlement PAGA Group) and Defendants J&A COMPANIES INC., MAACO COLLISION REPAIR AND AUTO PAINTING, and J&A Enterprises, Inc.

1.32.**"Preliminary Approval"**
means the Court's order granting preliminary approval of the Settlement.

1.33.**"Released Class Claims"**
means the claims being released by Participating Class Members as described in Section 5.2 of this Agreement.

1.34.**"Released PAGA Claims"**
means the claims being released by the State of California on behalf of the Settlement PAGA Group as described in Section 5.3 of this Agreement.

1.35.**"Released Parties"**
means Defendants, and each of their former, present, and future owners, parents, subsidiaries, affiliates, and all of their current, former, and future spouses, children, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.

1.36.**"Request for Exclusion"**
means a written request submitted by a Settlement Class Member to be excluded from the Settlement Class.

1.37.**"Response Deadline"**
means the date sixty (60) calendar days after the Administrator first mails the Notice of Class Action Settlement, by which date all objections and Requests for Exclusion must be postmarked.

1.38. **"Settlement"**
means the settlement of the Action as provided for in this Agreement.

1.39. **"Settlement Class" or "Settlement Class Members"**
means all individuals who worked for Defendants as hourly and/or non-exempt employees in California at any time during the Class Period.

1.40. **"Settlement PAGA Group" or "Aggrieved Employees"**
means all individuals who worked for Defendants as hourly and/or non-exempt employees in California at any time during the PAGA Period.

1.41. **"Workweek"**
means any calendar week during the Class Period in which a Settlement Class Member performed any amount of work for Defendants.

1.42. **"Non-Participating Class Member"**
means any Settlement Class Member who submits a timely and valid Request for Exclusion from the Settlement.

1.43. **"Notice of Class Action Settlement" or "Class Notice"**
means the notice form, substantially in the form to be attached hereto as Exhibit A, which will be approved by the Court and mailed to all Settlement Class Members to inform them of the terms of the Settlement and their rights hereunder.

1.44. **"Preliminary Approval Order"**
means the order entered by the Court granting Preliminary Approval of this Agreement.

1.45. **"Qualified Settlement Fund" or "QSF"**
means an interest-bearing account established by the Settlement Administrator which shall be structured to be a "qualified settlement fund" within the meaning of United States Treasury Regulation § 1.468B-1, *et seq.*

2. RECITALS

2.1. On or about October 10, 2025, Plaintiff Ramiro Diaz ("Plaintiff") filed a Class action and a representative action complaint under the Private Attorneys General Act ("PAGA") against Defendants J&A COMPANIES INC. and MAACO COLLISION REPAIR AND AUTO PAINTING

("Defendants") in the Superior Court of California for the County of San Diego, entitled *Ramiro Diaz v. J&A Companies, Inc., et al.*, Case No. 25CU054698C. Plaintiff had also previously filed a class action complaint against Defendants in Orange County, Case No. 30-2024-01410578-CU-OE-CXC.

2.2. Defendants filed motions to compel arbitration in the Action. Following an evidentiary hearing, on or about March 19, 2025, the Court granted the motions and ordered Plaintiff's individual and PAGA claims to binding arbitration, while denying Defendants' request to dismiss the class claims.

2.3. On November 14, 2025, the Superior Court of Orange County dismissed *Ramiro Diaz v. J&A Companies, Inc., et al.*, Case number 30-2024-01410578-CU-OE-CXC.

2.4. The operative complaints in the Action (the "Operative Complaints") allege, among other things, that Defendants violated the California Labor Code by: (i) failure to provide compliant meal breaks or pay premiums (§§ 226.7, 512); (ii) failure to provide compliant rest breaks or pay premiums (§ 226.7); (iii) failure to pay for all overtime worked (§§ 510,1194 and 1198); (iv) failure to pay minimum wages and pay for all wages earned (§§ 204, 1194 and 1197); (v) (§ to provide and maintain accurate itemized wage statements (§§ 226) (a), 1174 (d), and 1198.5; (vi) failure to pay timely wages (§§ 204 and 210.); (vii) waiting time penalties (§§201, 202, and 203); (viii) failure to reimburse required business expenses (§2802; 9); (ix) failure to pay vacation time (§227.3); (x) failure to pay COVID-19 supplemental sick leave (§246,248.1,248.2,248.6); (xi) failure to allow inspection of employment records (§1198.5, 2810.5); (xii) unfair business practices in violation of business and professional code (§ 17200 *et seq*); and (xiii) violation of the Private Attorney General Act (§ 2968 *et seq*). The Operative Complaints seek recovery of unpaid wages, damages, penalties, restitution, interest, and attorneys' fees and costs.

2.5. Defendants deny any and all allegations of wrongdoing in the Operative Complaints. Defendants contend that they have complied with the California Labor Code and all other applicable laws, rules, and regulations, and expressly deny any liability whatsoever for the claims alleged in the Action. Neither this Agreement, nor any action taken to carry it out, is or shall be construed as an admission of any fault, wrongdoing, or liability on the part of Defendants. This Agreement is a compromise of disputed claims.

2.6. Pursuant to California Labor Code § 2699.3, on or about June 25, 2024, Plaintiff gave written notice to the Labor and Workforce Development Agency ("LWDA") and to Defendants of the alleged Labor Code violations on which his PAGA claims are based.

2.7. The Parties, through their respective counsel, have engaged in extensive, arm's-length, and non-collusive negotiations concerning a potential resolution of the Action. These negotiations culminated in a full-day mediation on September 17, 2025, before a neutral mediator, Brandon Coen. As a result of these negotiations, the Parties reached an agreement on the material terms of a settlement, which are memorialized in this Agreement.

2.8. Prior to and in connection with negotiating this Settlement, Class Counsel conducted a thorough investigation of the facts and law relating to the matters in the Action. Defendants produced documents and information through informal discovery, which allowed Class Counsel to assess the merits of the claims, the potential range of recovery, and the risks of continued litigation. This investigation and analysis were sufficient to allow Class Counsel to make an informed evaluation of this Settlement and 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.

2.9. The Court has not granted class certification. The Parties have agreed to certification of the Settlement Class for settlement purposes only. Should this Agreement not receive Final Approval or be terminated for any reason, this stipulation shall be void, and Defendants reserve all rights to oppose class certification.

2.10. Class Counsel have considered the significant risk, expense, and delay of continued litigation, including the uncertainty of prevailing on the merits, the challenges of proof, and the risks of trial, arbitration, and appeal. Based on their investigation and evaluation, Class Counsel are of the opinion that this Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class and the Settlement PAGA Group. Similarly, Defendants, while denying all liability, have concluded that it is desirable to settle the Action upon the terms set forth herein to avoid the further expense, disruption, and distraction of litigation, as well as the risk and uncertainty of trial, arbitration, and any subsequent appeals.

2.11. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

3.1. **Gross Settlement Amount.**
Defendants shall pay the total, non-reversionary sum of Five Hundred Thousand Dollars and Zero Cents ($500,000.00) (the "Gross Settlement Amount" or "GSA") to resolve the Action. This amount is all-inclusive of all claims and payments described in this Agreement, except for Defendants' separate and additional obligation to pay their share of any employer-side payroll taxes owed on the wage portion of the Individual Settlement Payments. The Settlement Administrator will disburse the entire Gross Settlement Amount in accordance with this Agreement, and no portion of the GSA will revert to Defendants.

3.2. **Payments from the Gross Settlement Amount.**
Subject to Court approval, the Settlement Administrator shall make the following payments from the Gross Settlement Amount:

3.2.1. Class Representative Enhancement Payment.
To Plaintiff Ramiro Diaz, a Class Representative Enhancement Payment of not more than Fifteen Thousand Dollars and Zero Cents ($15,000.00) for his service to the Settlement Class in initiating, prosecuting, and resolving the Action. This payment is in addition to any Individual Settlement Payment and Individual PAGA Payment he is entitled to receive. Defendants will not oppose Plaintiff's request for an Enhancement Payment that does not exceed this amount. If the Court approves an Enhancement Payment less than the amount requested, the difference will be retained in the Net Settlement Amount for distribution to Participating Class Members. The Settlement Administrator will report this payment on an IRS Form 1099, and the Class Representative assumes full responsibility for any taxes owed on this payment.

3.2.2. Class Counsel Fees and Expenses Payment.
To Class Counsel, a payment for attorneys' fees not to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, which is One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00), and reimbursement for litigation costs and expenses incurred not to exceed Twenty-Five Thousand Dollars and Zero Cents ($25,000.00). Defendants will not oppose Class Counsel's request for fees and

costs up to these amounts. Class Counsel will file a motion for these payments for the Court's approval. If the Court awards less than the amounts requested, the difference will be retained in the Net Settlement Amount for distribution to Participating Class Members. The Settlement Administrator will report these payments on IRS Form(s) 1099. Class Counsel assumes full responsibility for all taxes owed on these payments and for any division of fees among other attorneys.

3.2.3. Administration Expenses Payment.
To the Settlement Administrator, ILYM Settlement Group, an amount not to exceed Eight Thousand Nine Hundred Fifty Dollars and Zero Cents ($8,950.00) for the reasonable costs and expenses of administering the Settlement. If the actual administration expenses are less than this amount, or if the Court approves a lower amount, the difference will be retained in the Net Settlement Amount for distribution to Participating Class Members.

3.2.4. PAGA Settlement Amount.

The total amount allocated to settle the PAGA claims is Twenty Thousand dollars ($20,000.00) (the "PAGA Settlement Amount"), which shall be paid from the Gross Settlement Amount and allocated as follows:

(a) **LWDA PAGA Payment:** Seventy-five percent (75%) of the PAGA Settlement Amount, totaling Fifteen Thousand Dollars and Zero Cents ($15,000.00), shall be paid to the California Labor and Workforce Development Agency ("LWDA").

(b) **PAGA Employee Share:** Twenty-five percent (25%) of the PAGA Settlement Amount, totaling Five Thousand ($5,000.00), shall be distributed as "Individual PAGA Payments" to members of the Settlement PAGA Group. The Settlement Administrator will calculate each Individual PAGA Payment by dividing the PAGA Employee Share by the total number of PAGA Pay Periods worked by all members of the Settlement PAGA Group during the PAGA Period, and then multiplying that per-pay-period amount by each individual's total PAGA Pay Periods.

(c) Individual PAGA Payments will be reported on IRS Form 1099. All members of the Settlement PAGA Group are solely responsible for any taxes owed on their Individual PAGA Payments.

3.2.4.1. Individual Settlement Payments to Participating Class Members.
The remainder of the Gross Settlement Amount after the payments described in Paragraphs 3.2.1, 3.2.2, 3.2.3, and 3.2.4 are deducted shall constitute the Net

Settlement Amount ("NSA"). The NSA shall be distributed to all Participating Class Members as Individual Settlement Payments. The Settlement Administrator shall calculate each Individual Settlement Payment by: (a) dividing the NSA by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the resulting per-Workweek value by the total number of Workweeks worked by each individual Participating Class Member.

3.2.4.2. Tax Allocation of Individual Settlement Payments.
Twenty percent (20%) of each Individual Settlement Payment will be allocated as wages (the "Wage Portion") and will be subject to applicable tax withholdings and reported on an IRS Form W-2. The remaining eighty percent (80%) of each Individual Settlement Payment will be allocated as penalties and interest (the "Non-Wage Portion") and will be reported on an IRS Form 1099. Participating Class Members assume full responsibility for any and all employee-side taxes owed on their Individual Settlement Payments.

3.2.4.3. Effect of Non-Participating Class Members.
Settlement Class Members who submit a timely and valid Request for Exclusion ("Non-Participating Class Members") shall not be entitled to receive any Individual Settlement Payment. The amounts that would have been paid to Non-Participating Class Members will be retained in the Net Settlement Amount and redistributed on a pro-rata basis among all Participating Class Members.

3.3. **Tax-Related Provisions and Disclaimers.**

3.3.1. Tax Liability.
The Parties and their counsel make no representations regarding the taxability of any payments made pursuant to this Agreement. Participating Class Members, members of the Settlement PAGA Group, and the Class Representative should consult with their own tax advisors concerning the tax consequences of the payments they receive. They will be solely responsible for the payment of any taxes, interest, and penalties owed on the amounts they receive. In no event shall the Released Parties be liable for any tax liability of any other person or entity, including any employee-side taxes, interest, or penalties that may be imposed on any payments under this Agreement.

3.3.2. No Tax Advice.
Nothing in this Agreement, nor any action taken to carry it out, is intended or shall be construed as tax advice. Class Counsel and Defense Counsel are not providing tax advice to any party or recipient of funds under this Agreement.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. **Class Workweeks and PAGA Pay Periods.**
This settlement is based on Defendant's belief that there are approximately 25,638 workweeks at issue. If the number of workweeks is 10% higher or 28,201.80 workweeks worked, then Defendant shall, in its sole discretion, have the option to either: (1) de-escalate the Settlement so that the Class Period ends on the date that the workweek count totals 28,201.80; or (2) permit the Class Period to be increased proportionally by the workweeks worked in excess of 28,201.80 multiplied by the per-workweek value.

4.2. **Class Data.**
Not later than twenty (20) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the privacy rights of Settlement Class Members and members of the Settlement PAGA Group, the Administrator shall: (a) maintain the Class Data in strict confidence; (b) use the Class Data only for the purpose of administering this Settlement; and (c) restrict access to the Class Data to its employees who require it to perform their duties under this Agreement. Defendants shall have a continuing duty to promptly notify Class Counsel if they discover that the Class Data contained errors or omissions and to provide corrected or updated Class Data as soon as reasonably feasible. The Parties and their counsel agree to use their best efforts, in good faith, to resolve any issues related to missing or incomplete Class Data without extending the deadline by which Defendants must provide the Class Data to the Administrator.

4.3. **Funding of the Qualified Settlement Fund.**
The Settlement Administrator shall establish a Qualified Settlement Fund ("QSF") within the meaning of United States Treasury Regulation § 1.468B-1, *et seq.* Defendants shall fund the Gross Settlement Amount of Five Hundred Thousand Dollars and Zero Cents ($500,000.00), plus Defendants' share of any employer-side payroll taxes due on the Wage Portion of the Individual Settlement Payments, by transmitting the funds to the QSF in three (3) equal installments as follows:

4.3.1. First Installment:
Defendants shall pay one-third (1/3) of the Gross Settlement Amount, amounting to One Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents ($166,666.67), plus a corresponding portion of the employer-side payroll taxes, into the QSF within thirty (30) calendar days after the Effective Date.

4.3.2. Second Installment:
Defendants shall pay one-third (1/3) of the Gross Settlement Amount, amounting to One Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents ($166,666.67), plus a corresponding portion of the employer-side payroll taxes, into the QSF no later than six (6) months after the due date of the First Installment.

4.3.3. Third Installment:
Defendants shall pay the final one-third (1/3) of the Gross Settlement Amount, amounting to One Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents ($166,666.66), plus the remaining portion of the employer-side payroll taxes, into the QSF no later than six (6) months after the due date of the Second Installment.

4.4. **Payments from the Qualified Settlement Fund.**
Within fourteen (14) calendar days after the second installment, the Settlement Administrator shall make a payment to the Class members and the Class Representative's Enhancement payment. After the third installment is paid, then the settlement administrator shall pay the Court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the LWDA PAGA Payment. Disbursement of payments to Class Counsel and the Class Representative shall not precede the disbursement of payments to the Participating Class Members, members of the Settlement PAGA Group, and the LWDA.

4.5. **Mailing of Payments and Check Cashing.**

The Administrator will issue checks for all payments and send them via First-Class U.S. Mail, postage prepaid, to the last-known address of each payee. The face of each check shall prominently state that it will be void one hundred eighty (180) calendar days after its date of issuance. Before the initial mailing, the Administrator shall update all recipient addresses using the National Change of Address ("NCOA") database.

For any check returned as undeliverable, the Administrator shall promptly perform a skip trace or other address search. If a new address is found, the Administrator shall re-mail the check to the new address within seven (7) calendar days of receiving the returned check. If a re-mailed check is returned, the Administrator shall have no further obligation to find the payee. The Administrator shall promptly send a replacement check to any payee who requests one before their original check's void date, provided the original check has not been cashed.

For any check that remains uncashed after the one hundred eighty (180) day void date, the Administrator shall cancel the check. All funds from such uncashed or returned checks shall be transmitted by the Administrator to the State of California Controller's Unclaimed Property Fund in the name of the payee, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subdivision (b).

4.6. **No Obligation for Additional Benefits.**
The payment of Individual Settlement Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits (such as 401(k) contributions or bonuses) upon Participating Class Members or members of the Settlement PAGA Group beyond those specified in this Agreement.

5. RELEASES OF CLAIMS

The releases provided in this Section 5 shall become effective upon the Effective Date, which is conditioned upon Defendants' full and complete payment of the Gross Settlement Amount and all applicable employer-side payroll taxes as set forth in Section 4.3. Upon such conditions being met, Plaintiff, Participating Class Members, and the State of California (by and through Plaintiff and the Settlement PAGA Group) shall fully, finally, and forever release, settle, compromise, relinquish, and discharge the Released Parties from the Released Claims as set forth below.

5.1. **Plaintiff's General Release.**

In consideration of the Class Representative Enhancement Payment and other benefits provided under this Agreement, and in addition to the release of Released Class Claims and Released PAGA Claims, upon the Effective Date, Plaintiff Ramiro Diaz, on behalf of himself and his respective former and present spouses, heirs, executors, administrators, representatives, agents, attorneys, successors, and assigns, shall fully and finally release and discharge the Released Parties from any and all claims, debts, liabilities, demands, obligations, penalties, actions, and causes of action of every kind and nature, whether known or unknown, suspected or unsuspected, that he has or may have against any of the Released Parties arising from or in any way related to his employment with or separation from employment with Defendants as of the date he executes this Agreement (the "Plaintiff's General Release"). Plaintiff acknowledges that he may hereafter discover facts different from or in addition to those he now knows or believes to be true with respect to the subject matter of this General Release, but agrees that this General Release shall be and remain in full force and effect notwithstanding the discovery or existence of any such different or additional facts. The Plaintiff's General Release does not extend to: (a) any claims to enforce this Agreement; (b) any non-waivable claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542.

For purposes of his General Release in Section 5.1, Plaintiff expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and does so understanding the significance of such waiver. Section 1542 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.**

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges that this Agreement and the General Release are intended to include in their effect, without limitation, all claims that Plaintiff does not know or suspect to exist in his favor at the time of executing this Agreement, and that this Agreement contemplates the extinguishment of any such claims. Plaintiff has been advised by his counsel of, and fully understands, the consequences of this waiver of Section 1542.

5.2. **Release of Class Claims by Participating Class Members.**

Upon the Effective Date, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall fully and finally release and discharge the Released Parties from any and all claims, demands, rights, liabilities, and causes of action that were asserted in the Operative Complaints, or that could have been asserted based on the factual allegations contained therein, for the duration of the Class Period (the "Released Class Claims"). The Released Class Claims specifically include, without limitation, all claims for:

1. Failure to provide compliant meal periods or pay premiums in violation of California Labor Code §§ 226.7 and 512;

2. Failure to provide compliant rest breaks or pay premiums in violation of California Labor Code §§ 226.7;

3. Failure to pay all overtime worked in violation of California Labor Code §§ 510, 1194, and 1198;

4. Failure to pay minimum wages and pay for all wages earned in violation of California Labor Code §§ 1194 and 1197;

5. Failure to provide and maintain accurate itemized wage statements in violation of California Labor Code §§ 226(a), 1174(d), and 1198.5;

6. Failure to pay timely wages in violation of California Labor Code §§ 204 and 210;

7. Waiting time penalties in violation of California Labor Code §§ 201, 202, and 203;

8. Failure to reimburse required business expenses in violation of California Labor Code § 2802;

9. Failure to pay for vacation time in violation of Labor Code § 227.3.

10. Failure to timely pay COVID-19 supplemental sick leave in violation of Labor Code §§ 246, 248.1, 248.2, 248.6.

11. Failure to allow inspection of employment records in violation of Labor Code §§ 1198.5 and 2810.5;

12. Unfair business practices in violation of Business and Professional Code § 17200 *et seq;* and

13. Violation of the Private Attorney General Act of Labor Code § 2698 *et seq.*

Participating Class Members do not release any claims other than the Released Class Claims, including, but not limited to, claims for wrongful termination, discrimination in violation of the Fair Employment and Housing Act, workers' compensation, vested benefits, or any claims based on facts or conduct occurring outside the Class Period.

5.3. **Release of PAGA Claims.**
Upon the Effective Date, Plaintiff, acting as a private attorney general on behalf of the State of California, and all members of the Settlement PAGA Group release and discharge the Released Parties from any and all claims for civil penalties under PAGA that were asserted in the PAGA Notice and the Operative Complaints, or that could have been asserted based on the factual allegations contained therein, for the duration of the PAGA Period (the "Released PAGA Claims"). This release covers claims for civil penalties pursuant to Labor Code § 2699, *et seq.*, arising from alleged violations of California Labor Code sections §§ 98.6, 201-205, 206.5, 210, 216, 218.5, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 233, 234, 245, 246, 246.5, 248.1, 248.2, 248.5, 248.6, 351, 510-512, 551-552, 558, 558.1, 1102, 1102.5, 1174, 1174.2, 1174.5, 1182.12, 1185, 1193.6, 1194-1197.1, 1194.2 1198-1199.5 and 2698-2699, 2699.5, 2800, 2802, 2810.5, 3073.6, 6310 and 6311, and any other Labor Code sections premised on the facts alleged in the PAGA Notice and Operative Complaints.

This release of Released PAGA Claims is binding on the State of California (by and through the LWDA) and on all members of the Settlement PAGA Group, regardless of whether a member is a Participating Class Member or submits a valid and timely Request for Exclusion. The release of PAGA claims shall take effect whether or not a member of the Settlement PAGA Group receives or cashes his or her Individual PAGA Payment.

6. MOTION FOR PRELIMINARY APPROVAL

The Parties agree to cooperate in seeking the Court's approval of this Agreement. Class Counsel shall be responsible for preparing and filing a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's requirements.

6.1. **Defendants' Declaration in Support of Preliminary Approval.**
Within fifteen (15) calendar days of the full execution of this Agreement, Defense Counsel will prepare and deliver to Class Counsel a signed declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Settlement Administrator. In their declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely

affected by the Settlement.

6.2. **<u>Plaintiff's Responsibilities.</u>**
Class Counsel will prepare and deliver to Defense Counsel, for review and comment, all documents necessary for obtaining Preliminary Approval, including:

6.2.1. A draft of the notice of motion and memorandum of points and authorities in support of the Motion for Preliminary Approval, which will include an analysis of the Settlement under the standards set forth in *Dunk v. Foot Locker, Inc.*, 48 Cal.App.4th 1794 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008), and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2).

6.2.2. A draft of the proposed Preliminary Approval Order.

6.2.3. A draft of the proposed Notice of Class Action Settlement (the "Class Notice").

6.2.4. A signed declaration from the Settlement Administrator (ILYM Settlement Group) attaching its "not to exceed" bid for administering the Settlement ($8,950.00) and attesting to its: (i) willingness and competency to serve; (ii) operative procedures for protecting the security of the Class Data; (iii) amounts of insurance coverage for any data breach, defalcation of funds, or other misfeasance; (iv) all facts relevant to any actual or potential conflicts of interest with the Settlement Class Members; and (v) the nature and extent of any financial relationship with Plaintiff, Class Counsel, or Defense Counsel.

6.2.5. A signed declaration from Plaintiff Ramiro Diaz confirming his willingness and competency to serve as the Class Representative and disclosing all facts relevant to any actual or potential conflicts of interest with the Settlement Class Members and/or the Settlement Administrator.

6.2.6. A signed declaration from each Class Counsel firm attesting to: (i) its competency to represent the Settlement Class; (ii) its timely transmission to the LWDA of all necessary PAGA documents, including the initial notice of violations (Labor Code § 2699.3(a)) sent on or about June 25, 2024, the Operative Complaint (Labor Code § 2699(l)(1)), and this Agreement (Labor Code § 2699(l)(2)); and (iii) all facts relevant to any actual or potential conflict of interest with the Settlement Class Members and/or the

Settlement Administrator.

6.2.7. In their respective declarations, Plaintiff and Class Counsel shall also aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3. **Responsibilities of Counsel.**
Class Counsel and Defense Counsel shall be jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) days after the full execution of this Agreement, for obtaining a prompt hearing date for the motion, and for appearing in Court to advocate in favor of the motion. Class Counsel shall be responsible for delivering a copy of the executed Preliminary Approval Order to the Settlement Administrator.

6.4. **Duty to Cooperate.**
The Parties shall cooperate fully with each other and use their best efforts to obtain Court approval of the Settlement. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring in good faith to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously meet and confer in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

7.1. **Selection of Administrator.**
The Parties have jointly selected ILYM Settlement Group to serve as the Administrator and have verified that, as a condition of its appointment, ILYM Settlement Group agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified herein in exchange for payment of the Administration Expenses Payment. The Parties and their respective counsel represent that they have no financial interest or relationship with the Administrator, other than professional relationships arising from prior experiences in administering similar settlements.

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

7.3. **Qualified Settlement Fund.**
As set forth in Section 4.3, the Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under United States Treasury Regulation section 1.468B-1.

7.4. **Notice to Class Members.**

7.4.1. No later than three (3) business days after its receipt of the Class Data from Defendants, the Administrator shall notify Class Counsel and Defense Counsel that the Class Data has been received and shall state the total number of Settlement Class Members, members of the Settlement PAGA Group, Workweeks, and PAGA Pay Periods reflected in the Class Data.

7.4.2. Using its best efforts, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator shall send the Notice of Class Action Settlement ("Class Notice"), substantially in the form to be attached hereto as Exhibit A, to all Settlement Class Members via First-Class U.S. Mail. The first page of the Class Notice shall prominently estimate the dollar amounts of the Individual Settlement Payment and/or Individual PAGA Payment payable to the recipient, and the number of Workweeks and PAGA Pay Periods used to calculate those amounts. Before mailing the Class Notices, the Administrator shall update all addresses using the National Change of Address ("NCOA") database.

7.4.3. For any Class Notice returned by the U.S. Postal Service ("USPS") as undeliverable, the Administrator shall, within three (3) business days of receipt, re-mail the Class Notice using any forwarding address provided by the USPS. If no forwarding address is provided, the Administrator shall promptly conduct a skip-trace or other address search and re-mail the Class Notice to the most current address obtained. The Administrator shall have no further obligation to locate or send a Class Notice to a Settlement Class Member whose Class Notice is returned as undeliverable a second time.

7.4.4. The deadline for Settlement Class Members to submit written objections, challenges to their Workweek/PAGA Pay Period calculations, or Requests for Exclusion shall be extended by an additional fourteen (14) calendar days beyond the sixty (60) day Response Deadline for all Settlement Class Members whose Class Notice is re-mailed. The Administrator shall inform the Settlement Class Member of this extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Class Counsel, or Defense Counsel is contacted by or otherwise discovers any person who claims they should have been included in the Class Data and received a Class Notice, the Parties shall expeditiously meet and confer in good faith to determine whether to include that person as a Settlement Class Member. If the Parties agree to their inclusion, the Administrator shall promptly send a Class Notice to that person, who shall have fourteen (14) calendar days from the date of mailing, or the original Response Deadline (whichever is later), to exercise their rights under this Agreement.

7.5. **Requests for Exclusion (Opt-Outs).**

7.5.1. Settlement Class Members who wish to exclude themselves from the Settlement Class must send the Administrator a signed, written Request for Exclusion postmarked no later than the Response Deadline. A Request for Exclusion is a letter that reasonably communicates the Settlement Class Member's election to be excluded from the Settlement and includes their full name, address, and telephone number.

7.5.2. The Administrator shall not reject a Request for Exclusion as invalid for failing to contain all the information specified in the Class Notice, provided the Administrator can reasonably ascertain the identity of the person as a Settlement Class Member and their intent to be excluded. The Administrator's determination as to the validity of any Request for Exclusion shall be final and not subject to appeal or challenge. If the Administrator questions the authenticity of a Request for Exclusion, it may request additional proof of identity.

7.5.3. Every Settlement Class Member who does not submit a timely and valid Request for Exclusion shall be deemed a "Participating Class Member" and shall be bound by all terms and conditions of this Agreement, including the release of the Released Class Claims in Section 5.2, regardless of whether they actually receive a Class Notice or object to the Settlement.

7.5.4. Every Settlement Class Member who submits a valid and timely Request for Exclusion shall be deemed a "Non-Participating Class Member." Non-Participating Class Members shall not receive an Individual Settlement Payment and shall have no right to object to the class action components of the Settlement. However, because PAGA claims cannot be opted out of, any Non-Participating Class Member who is also a member of the Settlement PAGA Group shall still receive their Individual PAGA Payment and shall be bound by the release of the Released PAGA Claims in Section 5.3.

7.6. **Challenges to Calculation of Workweeks and PAGA Pay Periods.**
Each Settlement Class Member shall have until the Response Deadline to challenge the number of Workweeks and/or PAGA Pay Periods allocated to them in the Class Notice. Any challenge must be submitted in writing to the Administrator. The Administrator shall promptly provide copies of all such challenges to Class Counsel and Defense Counsel. In the absence of supporting documentation from the challenging individual, Defendants' records as reflected in the Class Data shall be presumed accurate. The Administrator's determination of each challenge shall be final and binding.

7.7. **Objections to Settlement.**

7.7.1. Only Participating Class Members may object to the class action components of the Settlement, including this Agreement, the fairness of its terms, and/or the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, or the Class Representative Enhancement Payment.

7.7.2. Participating Class Members may submit written objections to the Administrator, which must be postmarked by the Response Deadline. Alternatively, they may appear at the Final Approval Hearing (or hire an attorney to appear on their behalf) to present oral objections. A written objection must be signed and state the legal and factual basis for the objection.

7.7.3. Non-Participating Class Members have no right to object to any part of the class action components of the Settlement.

7.8. **Administrator Duties.**
In addition to the duties described elsewhere in this Agreement, the Administrator shall perform the following tasks:

7.8.1. **Website, Email, and Toll-Free Number.** The Administrator will establish and maintain a settlement website to post key documents, including this Agreement, the Class Notice, Court orders, and motions for approval. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive and respond to inquiries from Settlement Class Members.

7.8.2. **Requests for Exclusion and Exclusion List.** The Administrator will promptly review all Requests for Exclusion. No later than seven (7) calendar days after the Response Deadline, the Administrator shall provide Class Counsel and Defense Counsel with a final list of all Settlement Class Members who submitted timely and valid Requests for Exclusion (the "Exclusion List"), along with copies of all such requests received.

7.8.3. **Weekly Reports.** On a weekly basis from the initial mailing of the Class Notice until the Response Deadline, the Administrator shall provide written reports to Class Counsel and Defense Counsel tallying the number of: (i) Class Notices mailed and re-mailed; (ii) Class Notices returned as undeliverable; (iii) Requests for Exclusion received (both valid and invalid); (iv) objections received; and (v) challenges to Workweeks/PAGA Pay Periods received.

7.8.4. **Administrator's Declaration.** No later than fourteen (14) calendar days before the deadline for Plaintiff to file the Motion for Final Approval, the Administrator will provide to counsel a signed declaration suitable for filing with the Court, attesting to its due diligence and compliance with its obligations under this Agreement. The declaration will include final counts of Class Notices mailed, Requests for Exclusion, objections, and shall attach the Exclusion List.

7.8.5. **Final Report by Administrator.** Within ten (10) calendar days after the final disbursement of all funds from the QSF, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing all disbursements made under this Agreement. At least fifteen (15) days before any post-distribution deadline set by the Court, the Administrator will prepare and submit to counsel a signed declaration suitable for filing, attesting to the complete disbursement of all payments required by this Agreement. Class Counsel shall be responsible for filing this declaration with the Court.

8. DEFENDANTS' RIGHT TO WITHDRAW

Notwithstanding any other provision of this Agreement, if the total number of Settlement Class Members who submit a valid and timely Request for Exclusion (as identified in the Exclusion List provided by the Settlement Administrator) exceeds ten percent (10%) of the total number of Settlement Class Members, Defendants may, in their sole discretion, elect to withdraw from and nullify this Settlement.

To exercise this right, Defendants must provide written notice of their election to withdraw to Class Counsel and the Court not later than seven (7) calendar days after the Settlement Administrator provides the final Exclusion List to Defense Counsel. Any election to withdraw made after this deadline shall be void and have no effect.

If Defendants timely exercise their right to withdraw, this Agreement shall be rendered void *ab initio* and shall have no force or effect whatsoever. The Parties shall be returned to their respective litigation positions as they existed immediately prior to the execution of this Agreement, and this Agreement and any actions taken in furtherance of it shall not be used or be admissible in any proceeding for any purpose. Provided, however, that if Defendants withdraw from the Settlement, they shall remain responsible for paying all Administration Expenses Payment incurred by the Settlement Administrator up to the date of withdrawal.

9. MOTION FOR FINAL APPROVAL

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file with the Court a motion for final approval of the Settlement ("Motion for Final Approval"). The motion shall request final approval of this Agreement as fair, reasonable, and adequate, seek approval of the PAGA settlement under Labor Code section 2699, subdivision (l)(2), and include a Proposed Final Approval Order and a proposed Judgment. Class Counsel shall provide drafts of the Motion for Final Approval and all supporting documents to Defense Counsel not later than seven (7) calendar days prior to the filing deadline. Class Counsel and Defense Counsel will expeditiously meet and confer in good faith to resolve any disagreements concerning the motion papers.

9.1. **Response to Objections.** Each Party retains the right to respond to any objection raised by a Participating Class Member. Any such response may be filed with the Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or permitted by the Court.

9.2. **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to this Agreement (including, but not limited to, the scope of the releases to be granted), the Parties will expeditiously work together in good faith to address the Court's concerns by revising this Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Enhancement Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to this Agreement within the meaning of this paragraph.

9.3. **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of the Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of: (i) enforcing this Agreement and/or the Judgment; (ii) addressing settlement administration matters; and (iii) addressing such other post-Judgment matters as are permitted by law.

9.4. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not submit a timely and valid objection to the Settlement waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, such as motions to vacate judgment, motions for new trial, and extraordinary writs. This waiver does not include any waiver of the right to oppose such motions, writs, or appeals if filed by an objector. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement (including the funding and payment deadlines) will be suspended until such time as the appeal is finally resolved and the Judgment becomes final and non-appealable.

9.5. **Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.** If a reviewing appellate court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement, this Agreement shall be rendered null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of a revised Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Enhancement Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, so long as the Gross

Settlement Amount remains unchanged.

10. ADDITIONAL PROVISIONS

10.1. **No Admission of Liability.** This Agreement represents a compromise and settlement of disputed claims. Nothing in this Agreement, nor any action taken to carry it out, is intended or shall be construed as an admission by Defendants that any of the allegations in the Operative Complaints have merit, that Defendants have any liability for the claims asserted, or that class certification would be appropriate for any purpose other than this Settlement. Defendants expressly deny any and all liability or wrongdoing. Likewise, nothing herein shall be construed as an admission by Plaintiff that Defendants' defenses have merit. The Parties agree that the certification of the Settlement Class is for settlement purposes only. Should the Settlement not become final for any reason, this stipulation to certification shall be void, and Defendants reserve all rights to contest class certification for any reason. This Agreement shall have no bearing on, and shall not be admissible in connection with, any litigation, except for proceedings to enforce or effectuate the Settlement.

10.2. **Publicity and Confidentiality Prior to Preliminary Approval.** The Parties and their counsel agree that until the Motion for Preliminary Approval is filed, they will not publicize or disclose the terms of this Agreement to any person or entity, except as necessary to implement the terms of this Agreement, to comply with any tax reporting obligations, or in response to a court order or subpoena. After the filing, neither side shall publicize the Settlement, including but not limited to communications through any social media, unless so ordered by the Court, except to state that "the matter was resolved" or words to that effect. This paragraph does not restrict Class Counsel's communications with Settlement Class Members in accordance with Class Counsel's ethical obligations, nor does it restrict submissions required to be made to the LWDA.

10.3. **No Solicitation.** The Parties and their respective counsel agree that they will not solicit or otherwise encourage any Settlement Class Member to submit a Request for Exclusion from, or to object to, the Settlement. Nothing in this paragraph shall be construed to limit Class Counsel's ability to communicate with Settlement Class Members in accordance with their ethical obligations.

10.4. **Integrated Agreement.** This Agreement, including all attached exhibits, constitutes the entire agreement between the Parties relating to the Settlement and supersedes all prior or contemporaneous oral or written representations, negotiations, and agreements between the Parties concerning the subject matter hereof.

10.5. **Attorney Authorization.** Class Counsel and Defense Counsel warrant and represent that they are authorized by Plaintiff 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 do so.

10.6. **Cooperation.** The Parties and their counsel agree to cooperate fully with each other and use their best efforts, in good faith, to effectuate and implement the terms of this Settlement, including by executing all necessary documents and taking all steps reasonably required to obtain Court approval.

10.7. **No Prior Assignments.** Plaintiff represents and warrants that he has not assigned, transferred, or encumbered any claim, demand, action, or cause of action released in this Agreement.

10.8. **No Tax Advice.** The Parties and their counsel make no representations regarding the tax consequences of this Settlement or any payments made hereunder. All recipients of payments should consult with their own tax advisors. Nothing in this Agreement shall be construed as providing tax advice.

10.9. **Modification of Agreement.** This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties and approved by the Court.

10.10. **Agreement Binding on Successors.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, administrators, representatives, successors, and assigns.

10.11. **Applicable Law.** All terms and conditions of this Agreement shall be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

10.12. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement shall be construed as if drafted jointly by the Parties, and no presumption or rule of construction shall be applied against any Party as the drafter.

10.13. **Use and Return of Class Data.** All Class Data provided to Class Counsel or the Settlement Administrator is for the sole purpose of administering this Settlement and shall be kept confidential. Within ninety (90) days after the final disbursement of all Settlement funds has been confirmed, Class Counsel and the Settlement Administrator shall destroy all paper and electronic versions of the Class Data received from Defendants.

10.14. **Headings.** The descriptive headings of the sections and paragraphs of this Agreement are for convenience of reference only and do not constitute a part of this Agreement.

10.15. **Calendar Days.** Unless otherwise specified, all references to "days" in this Agreement refer to calendar days. If any date or deadline falls on a weekend or a court holiday, the date or deadline shall be extended to the next business day.

10.16. **Notice**. All notices, demands, or other communications between the Parties in connection with this Agreement shall be in writing and deemed duly given upon transmission by email or on the third business day after mailing by United States mail, addressed as follows:

11. TO PLAINTIFF AND CLASS COUNSEL:

Farrah Mirabel, Esq.
LAW OFFICES OF FARRAH MIRABEL
1070 Stradella Rd.
Los Angeles, CA 90077
Email: fmesq@fmirabel.com

Amir Seyedfarshi, Esq.
EMPLOYMENT RIGHTS LAWYERS, APC
Email: Amir@employmentrightslawyers.com

12. TO DEFENDANTS AND DEFENSE COUNSEL:

Katherine Den Bleyker, Esq.

O'HAGAN MEYER LLP

12.1. Execution in Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile or electronic signature (e.g., DocuSign). All executed counterparts shall be deemed to be one and the same instrument.

12.2. Stay of Litigation. The Parties agree that upon execution of this Agreement, the Action shall be stayed, except for proceedings necessary to effectuate the terms of this Settlement. Pursuant to California Code of Civil Procedure section 583.330, the Parties further agree to toll the time to bring the Action to trial under section 583.310 for the entire period of this settlement process.

12.3. No Effect on Employee Benefits. The Parties agree that the Class Representative Enhancement Payment, Individual Settlement Payments, and Individual PAGA Payments are not pensionable earnings and shall not affect the eligibility for, or calculation of, any other employee benefits (such as 401(k) contributions, vacation, holiday pay, or other retirement plans). The payments made under this Agreement shall not be considered "compensation" for the purposes of determining eligibility for or accrual within any employee benefit plan sponsored by Defendants.

12.4. Continuing Jurisdiction of the Court. The Court shall retain continuing jurisdiction over the Parties to interpret, implement, and enforce the terms of this Agreement, the Settlement, and the Judgment. The Parties agree that this Agreement is enforceable pursuant to California Code of Civil Procedure section 664.6.

SIGNATURES

WHEREFORE, Plaintiff, on behalf of himself, the Participating Class Members, and the State of California with respect to the Settlement PAGA Group pursuant to the Private Attorneys General Act, and Defendants have executed this Agreement as of the dates set forth below.

FOR PLAINTIFF:

Date: September 21, 2025

By: ___________________________
RAMIRO DIAZ, Plaintiff

FOR DEFENDANTS:

Date: ___________________________

J&A COMPANIES INC., MAACO COLLISION REPAIR AND AUTO PAINTING

By: ___________________________
Print Name: Joseph Taormina
Title: President

APPROVED AS TO FORM:

Date: September 21, 2025

LAW OFFICES OF FARRAH MIRABEL
By: ___________________________
Farrah Mirabel, Esq.
Counsel for Plaintiff

Date: September 21, 2025

EMPLOYMENT RIGHTS LAWYERS, APC

By: ___________________________
Amir Seyedfarshi, Esq.
Counsel for Plaintiff

Date: ___________________________

O'HAGAN MEYER LLP

By: ___________________________
Katherine Den Bleyker, Esq.
Counsel for Defendants

Date: December 1, 2025

By: ______________________
RAMIRO DIAZ, Plaintiff

FOR DEFENDANTS:

Date: ______________________

J&A COMPANIES INC., MAACO COLLISION REPAIR AND AUTO PAINTING

By: ______________________
Print Name: Joseph Taormina
Title: President

APPROVED AS TO FORM:

Date: December 1, 2025

LAW OFFICES OF FARRAH MIRABEL
By: ______________________
Farrah Mirabel, Esq.
Counsel for Plaintiff

Date: September 21, 2025

EMPLOYMENT RIGHTS LAWYERS, APC

By: *Amir Seyedfarshi*
Amir Seyedfarshi, Esq.
Counsel for Plaintiff

Date: ______________________

O'HAGAN MEYER LLP

By: ______________________
Katherine Den Bleyker, Esq.
Counsel for Defendants