

## FIRST AMENDED CLASS SETTLEMENT AGREEMENT

This First Amended Class Action Settlement (“Settlement,” “Agreement” or “Settlement Agreement”) is made by and between Plaintiff Michael Allen Garcia (“Plaintiff”), on behalf of himself and all others similarly situated, on one hand; and United Site Services of California, Inc., (on behalf of itself and United Site National Services Company, and United Site Services, Inc., collectively referred to as “USS” or “Defendants”), on the other hand. Plaintiff and USS shall be, at times, collectively referred to as the “Parties.” This Agreement is intended by the Parties to fully, finally and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement.

### 1. DEFINITIONS

A. “**Action**” means the lawsuit entitled *Michael Allen Garcia v. United Site Services of California, Inc., et. al.*, currently in the United States District Court, Central District of California, Case No. 2:23-cv-03019-DMG-SK.

B. “**Background Check**” means any type of background check, including, but not limited to, an investigative consumer report, a credit check, a consumer report, or a criminal history check, that was conducted by Defendants on any Class Member.

C. “**Class Counsel**” means David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group, P.C. The term “Class Counsel” shall be used synonymously with the term “Plaintiff’s Counsel.”

D. “**Class Members**,” “**Settlement Class**” or “**Settlement Class Members**” include all individuals who USS’s records show were subjected to a background check for employment with United Site Services of California, Inc., during the Class Period.

E. “**Class Notice(s)**” means and refers to the notices to be sent to Class Members after preliminary approval of the Settlement in the manner described in Paragraph 9(A) of this Agreement.

F. “**Class Period**” means the period from February 8, 2021 through October 22, 2024.

**G.** “**Court**” means the United States District Court for the Central District of California.

**H.** “**Defendants**” or “**USS**” means, collectively, United Site Services of California, Inc., United Site National Services Company, and United Site Services, Inc.

**I.** “**Defendants’ Counsel**” or “**USS Counsel**” means Robert S. Blumberg of Littler Mendelson P.C.

**J.** “**FCRA**” means the Fair Credit Reporting Act, 15 U.S.C. § 1681, *et seq.*

**K.** “**Final Approval Date**” means the later of: (1) the date the Court signs an Order granting final approval of this Settlement (“Final Approval”) and Judgment and the time period for any timely notice of appeal has expired (which for these purposes shall be deemed 33 days after the entry of such Final Approval); (2) if there are one or more objectors, 61 days from the date of the Final Approval and Judgment; or (3) to the extent any appeals have been filed, the date on which they have been resolved or exhausted (including any requests for rehearing and/or petitions for certiorari), resulting in final and complete judicial approval of the Settlement in its entirety, with no further challenge to the Settlement being possible. The occurrence of the Final Approval Date is a prerequisite to any obligation of USS to pay any funds into the qualified settlement account.

**L.** “**ICRAA**” means the California Investigative Consumer Reporting Agencies Act, California Civil Code § 1786, *et seq.*

**M.** “**CCRAA**” means the California Consumer Credit Reporting Agencies Act, California Civil Code § 1785, *et seq.*

**N.** “**General Release**” means the broader release of claims by Plaintiff, which is in addition to Plaintiff’s limited release of claims as a Participating Class Member.

**O.** “**Gross Settlement Amount**” means a non-reversionary fund in the sum of Two Hundred Thirty Thousand Dollars and Zero Cents (\$230,000.00),<sup>1</sup> which shall be paid by USS,

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<sup>1</sup> As the same may be increased in accordance with Paragraph 15 below.

from which all payments for the Individual Settlement Payments to Participating Class Members, the Settlement Administration Costs to the Settlement Administrator, and the Service Award to Plaintiff, , shall be paid.

**P. “Individual Settlement Payment”** means a payment to a Participating Class Member of his or her net share of the Net Settlement Amount, which shall be calculated by dividing the Net Settlement Amount by the number of Participating Class Members.

**Q. “Individual Settlement Share”** means the gross amount of the Net Settlement Amount that a Participating Class Member is projected to receive, which shall be calculated by dividing the Net Settlement Amount by the number of Participating Class Members.

**R. “Net Settlement Amount”** means the portion of the Gross Settlement Amount that is available for distribution to the Participating Class Members after deductions for the Court-approved allocations for Settlement Administration Costs, and Service Award to Plaintiff.

**S. “Participating Class Members”** means all Class Members who do not submit a timely and valid Request for Exclusion.

**T. “Participating Individual Settlement Share”** means the gross amount of the Net Settlement Amount that a Participating Class Member is eligible to receive, which shall be calculated by dividing the Net Settlement Amount by the number of Participating Class Members, once all opt-outs have been factored in.

**U. “Plaintiff,” “Named Plaintiff” or “Class Representative”** shall refer to Plaintiff Michael Allen Garcia.

**V. “Preliminary Approval Date”** means the date on which the Court enters an Order which is made available to the parties on the docket granting preliminary approval of the Settlement.

**W. “Released Parties”** shall mean USS, all of USS corporate affiliates, including predecessors, successors, assigns, current and former employees, shareholders, officers, directors, members, managers, subcontractors, attorneys, insurers, subsidiaries, divisions, parent companies, holding companies or affiliated corporations, partnerships, limited liability companies or other

organizations, all of their customers, vendors and agents, their insurers, and all persons acting by, through, under or in concert with them.

**X. “Request for Exclusion”** means a written request to be excluded from the Settlement Class pursuant to Paragraph 9(C) below.

**Y. “Response Deadline”** means the deadline for Class Members to mail any Requests for Exclusion or Objections to the Settlement Administrator, which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English and Spanish by the Settlement Administrator, unless a Class Member’s notice is re-mailed, or such other deadline set by the Court in its Preliminary Approval Order. In such an instance, the Response Deadline shall be fifteen (15) calendar days from the re-mailing, or forty-five (45) calendar days from the date of the initial mailing, whichever is later, in which to postmark a Request for Exclusion or Objection. The date of the postmark shall be the exclusive means for determining whether a Request for Exclusion or Objection was submitted by the Response Deadline.

**Z. “Service Award”** means monetary amounts to be paid to Plaintiff of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), which, subject to Court approval, will be paid out of the Gross Settlement Amount.

**AA. “Settlement Administration Costs”** means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, preparing and delivering notices under the Class Action Fairness Act (“CAFA”), translating the Class Notice to Spanish, the distribution of the Class Notice to the Settlement Class in English and Spanish, calculating Individual Settlement Payments, providing declarations, generating Individual Settlement Payment checks and related tax reporting forms, doing administrative work related to unclaimed checks, transmitting payment to Class Counsel for the Court-approved amounts for attorneys’ fees and reimbursement of litigation costs and expenses, and Plaintiff’s Service Award, providing weekly reports of opt-outs, objections and related information, and any other actions of the Settlement Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement. The Settlement Administration Costs are estimated not to exceed \$5,550.00. If the

actual amount of the Settlement Administration Costs is less than \$5,550.00, the difference between \$5,550.00 and the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$5,550.00 then such excess will be paid solely from the Gross Settlement Amount and USS will not be responsible for paying any additional funds in order to pay these additional costs.

**BB. “Settlement Administrator”** means the Third-Party Administrator selected by Plaintiff, that meets the minimum criteria for data security and reliability of Class Counsel and USS Counsel, and subject to reasonable right of approval by USS Counsel. The Settlement Administrator will be responsible for the administration of the Settlement including, without limitation, translating the Class Notices in Spanish, the distribution of the Individual Settlement Payments and Individual Settlement Payments to be made by USS Counsel from the Gross Settlement Amount and related matters under this Agreement.

## **2. BACKGROUND**

**A.** On February 8, 2023, Plaintiff filed a class action complaint against USS in Los Angeles County Superior Court, Case No. 23STCV02816, asserting causes of action for alleged: (1) violation of the FCRA at 15 U.S.C. § 1681(a); (2) violation of the ICRAA at California Civil Code § 1786.2(b); and (3) violation of the CCRAA at California Civil Code § 1785.3(b). On April 21, 2023, USS removed the aforementioned action to the United States District Court for the Central District of California.

**B.** On March 21, 2024, the Parties participated in mediation with Gig Kyriacou, Esq., an experienced mediator of class actions. The mediation was successful in reaching a high-level agreement on material issues pertaining to the settlement, and facilitated follow-up negotiations to finalize the final details of the ultimate resolution, which led to this Settlement Agreement.

**C.** Prior to mediation, Plaintiff obtained, through informal discovery: (1) the estimated number of putative class members from February 8, 2018 through mediation; (2) the estimated number of putative class members who lost their employment due to Background Checks; (3) a sampling of disclosures and authorizations in relation to these Background Checks from 2018

through mediation; and (4) all documents pertaining to Plaintiff available to USS. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

**D.** Class Counsel have conducted significant investigation of the law and facts relating to the claims asserted in the Action, and have concluded that the Settlement set forth herein is fair, reasonable, adequate and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiff's allegations, and the substantial benefits to be received by Class Members.

**E.** USS deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class action treatment.

**F.** Although USS contend that they have no liability in the Action, USS have concluded that, because of the substantial expense of defending against the Action, the length of time necessary to resolve the issues presented herein, the inconvenience involved and the concomitant disruption to their business operations, it is in their best interest to accept the terms of this Agreement. USS deny each of the allegations and claims asserted against them in the Action. However, USS, nevertheless, desire to settle the Action for the purpose of avoiding the burden, expense and uncertainty of continuing litigation, and for the purpose of putting to rest the controversies engendered by the Action.

**G.** This Agreement replaces and supersedes any agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission

by USS that the claims of Plaintiff in the Action or the Class Members have merit or that USS bear any liability to Plaintiff or the Class Members on those claims or any other claims, or as an admission by Plaintiff that USS's defenses in the Action have merit.

**H.** This Agreement is intended to and does effectuate the full, final, and complete resolution of all Released Claims of Plaintiff and Participating Class Members.

### **3. JURISDICTION**

The Court has jurisdiction over the Parties and the subject matter of the Action. The Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment.

### **4. STIPULATION OF CONDITIONAL CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

The Parties stipulate to the certification of the Settlement under this Agreement for purposes of settlement only. If the Court does not grant both Preliminary and Final Approval of the Class Action Settlement, the Parties will not stipulate to class certification, this does not constitute an admission by USS that class certification is proper, and this settlement stipulation will have no legal effect. The parties agree that USS has waived no defenses of any kind, including but not limited as to jurisdictional defenses, by virtue of this Settlement and the proceedings leading to it.

### **5. MOTIONS FOR APPROVAL OF SETTLEMENT**

After full execution of this Agreement, Plaintiff will move for an order granting preliminary approval of the Settlement, approving, and directing the mailing of the proposed Notice of Class Action Settlement and Date for Final Approval Hearing ("Class Notice") attached hereto as **Exhibit "A,"** conditionally certifying the Settlement Class for settlement purposes only, and approving the deadlines proposed by the Parties for the submission of Requests for Exclusion and Objections. Should the Court decline to preliminarily approve any material aspects of the Settlement, the Settlement will be null and void and the Parties will have no further obligations

under it. In such event, the Parties shall be returned to their respective positions as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed. If and when the Court preliminarily approves the Settlement, and after administration of the Class Notices in a manner consistent with the Court's Preliminary Approval Order, Plaintiff will move for an order finally approving the Settlement and seek entry of a Judgment in line with this Settlement. The Parties may both respond to any Objections lodged to final approval of the Settlement up to five (5) court days before the Final Approval Hearing.

**6. STATEMENT OF NO ADMISSION**

USS deny any wrongdoing of any sort and further deny any liability to Plaintiff and the Settlement Class with respect to any claims or allegations asserted in the Action. This Agreement shall not be deemed an admission by USS of any claims or allegations asserted in the Action. Except as set forth elsewhere herein, in the event that this Agreement is not approved by the Court or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies, or defenses in the Action, and USS will not be deemed to have waived, limited or affected in any way any of their objections or defenses in the Action. Moreover, in such event, the Parties agree to share the Settlement Administration Costs, if any, that have been actually incurred to that date. The Parties shall be restored to their respective positions in the Action prior to the entry of this Settlement.

This Settlement Agreement and any documents filed in support of approval thereof shall not constitute, or be offered, received, claimed, construed, or deemed as, an admission, finding, or evidence of: (i) any wrongdoing, (ii) any violation of any statute, law or regulation, (iii) any liability on the claims or allegations or (iv) the propriety of certifying a litigation class, and shall not be used for any purpose whatsoever in any legal proceeding, including but not limited to lawsuits or arbitrations, other than a proceeding to enforce the terms of this Settlement Agreement.

## **7. RELEASE OF CLAIMS**

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by USS to the Settlement Administrator of the full Gross Settlement Amount necessary to effectuate the Settlement, Plaintiff and all Participating Class Members, release the Released Parties from all causes of action and claims that were alleged in the complaint in the Action or reasonably could have been alleged by reason of or in connection with any matter or fact set forth or referred to in the complaint in the Action, as follows:

### **A. Participating Class Members Release**

For Participating Class Members, the release includes all causes of actions and claims, including all damages and any possible attorney's fees or costs, alleged in the complaint in the Action or reasonably could have been alleged by reason of or in connection with the facts set forth or referred to in the complaint in the Action, against the Released Parties, including claims for violation of the Fair Credit Reporting Act (15 U.S.C. section 1681, *et seq.*), violation of the California Investigative Consumer Reporting Agencies Act (California Civil Code section 1786, *et seq.*), and violation of the Consumer Credit Reporting Agencies Act (California Civil Code section 1785, *et seq.*), and any other state or local law pertaining to background screening, as well as the ability to bring class action, mass action, representative or other similar joint or collective claims against the Released Parties under these laws, that arose during the Class Period (the "Released Claims").

### **B. Claims Not Released**

The releases above expressly exclude all other claims not explicitly concerning background checks, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and any other claims outside of the Released Claims of Participating Class Members arising during the Class Period, even where background checks may have played a role in the potential claim.

### **E. General Release.**

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by USS to the Settlement Administrator of the full Gross Settlement Amount necessary to effectuate the Settlement, in addition to the Released Claims, Plaintiff makes the additional following General Release: Plaintiff releases the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Agreement in connection with Plaintiff's employment with USS or termination thereof, except for any and all other claims that may not be released as a matter of law through this Agreement. To the extent of the General Release provided herein, Plaintiff stipulates and agrees that, upon entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendants to the Settlement Administrator of the full Gross Settlement Amount necessary to effectuate the Settlement, he shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, 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 HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Moreover, as part of the General Release, Plaintiff represents that he has no other pending claims or disputes with the Released Parties, agrees not to solicit any additional claims against the Released Parties, agrees that he is not owed any compensation or leave by the Released Parties, agrees not to disparage the Released Parties, and releases all interests he may have in bringing class, collective, or mass action claims other than his interest in representing the Class Members (as applicable) for purposes of this Settlement.

## **8. SETTLEMENT ADMINISTRATOR**

**A.** Plaintiff, through Class Counsel, and as approved by USS Counsel, has selected ILYM Group, Inc., to administer the Settlement, which includes, but is not limited to, preparing and delivering any required CAFA notices, translating the Class Notices to Spanish, distributing and responding to inquiries about the Class Notices, and calculating all amounts to be paid from the Gross Settlement Amount. Charges and expenses of the Settlement Administrator, currently estimated to be \$5,550.00, will be paid from the Gross Settlement Amount. If the actual amount of the Settlement Administration Costs is less, the additional amounts shall be a part of the Net Settlement Amount.

## **9. NOTICE, OBJECTION AND EXCLUSION PROCESS**

### **A. Notice to the Class Members**

Within twenty-one (21) calendar days after the Preliminary Approval Date, USS Counsel shall provide the Settlement Administrator with information with respect to each Class Member, including (each only to the extent reasonably available in USS's records) his or her: (1) name; (2) last known address(es) currently in USS's possession, custody or control; (3) last known last four digits of Social Security Number(s) in USS's possession, custody or control, and (4) employee identification number, if applicable ("Class List"). The Settlement Administrator shall always maintain the class list as confidential and shall not share it to Plaintiff or Class Counsel except for redacted calculations. The Settlement Administrator shall perform an address search using the United States Postal Service National Change of Address ("NCOA") database and update the addresses contained on the Class List with the newly found addresses, if any. Within twenty-eight (28) calendar days after the Preliminary Approval Date, the Settlement Administrator shall mail the Class Notices in English and Spanish to the Class Members via first-class regular U.S. Mail using the most current mailing address information available. The Settlement Administrator shall maintain the Class List and digital copies of all the Settlement Administrator's records evidencing the giving of notice to any Class Member for at least four (4) years from the Final Approval Date.

(1) The Class Notices will set forth:

- (a) The Class Member's estimated Individual Settlement Payment and its basis;
- (b) the material terms of the Settlement;
- (c) the proposed Settlement Administration Costs;
- (d) the definition of the Settlement Class;
- (e) a statement that the Court has preliminarily approved the Settlement;
- (f) how the Class Member can obtain additional information, including contact information for Class Counsel;
- (g) information regarding opt-out and objection procedures;
- (h) the date and location of the Final Approval Hearing; and
- (i) any other information as may be ordered by the Court in its Preliminary Approval Order.

(2) If a Class Notice from the initial notice mailing is returned as undeliverable, the Settlement Administrator will attempt to obtain a current address for the Class Member to whom the returned Class Notice had been mailed, within five (5) calendar days of receipt of the returned Class Notice, by undertaking skip tracing. If the Settlement Administrator is successful in obtaining a new address, it will promptly re-mail the Class Notice to the Class Member. Further, any Class Notices that are returned to the Settlement Administrator with a forwarding address before the Response Deadline shall be promptly re-mailed to the forwarding address affixed thereto.

(3) No later than seven (7) calendar days from the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the name, number of, and

copies of all Requests for Exclusion and Objections received by the Settlement Administrator. The address, last four digits of their Social Security number, and any other contact or identifying information shall be redacted from copies of all Requests for Exclusion and Objections received by the Settlement Administrator prior to providing same to both Parties.

## **B. Objections**

Only Participating Class Members may object to the Settlement. In order for any Class Member to object to this Settlement in writing, or any term of it, he or she must do so by mailing a written objection to the Settlement Administrator at the address provided on the Class Notices no later than the Response Deadline. The Settlement Administrator shall email a copy of the Objection forthwith to Class Counsel and USS Counsel and attach copies of all Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the Objector's name; (2) the Objector's address; (3) the Objector's signature; (4) the last four digits of the Objector's Social Security number; (5) the case name and case number (6) a statement of whether the Objector plans to appear at the Final Approval Hearing; and (7) the reason(s) for the Objection, along with whatever legal authority, if any, the Objector asserts in support of the Objection. If a Class Member objects to the Settlement, the Class Member will remain a member of the Settlement Class, respectively, and if the Court approves this Agreement, the Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Class Member who does not object. The date of mailing of the Class Notices to the objecting Class Member shall be conclusively determined according to the records of the Settlement Administrator. Class Members need not object in writing to be heard at the Final Approval Hearing; they may object or comment in person at the hearing at their own expense. Class Counsel and USS Counsel may respond to any objection lodged with the Court up to five (5) court days before the Final Approval Hearing.

### **C. Requesting Exclusion**

Any Class Member may request exclusion from (*i.e.*, “opt out” of) the Settlement by mailing a written request to be excluded from the Settlement (“Request for Exclusion”) to the Settlement Administrator, postmarked on or before the Response Deadline. To be valid, a Request for Exclusion must include: (1) the Class Member’s name; (2) the Class Member’s Address; (3) the Class Member’s signature and date; (4) the last four digits of the Class Member’s Social Security number; and (5) the following statement or a similar statement: “I wish to exclude myself from the settlement reached in the matter of *Garcia v. United Site Services of California, Inc. et al.* I understand that by excluding myself, I will not receive any money from the Class settlement reached in this matter.” The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel and USS Counsel and shall report the names of the Requests for Exclusions that it receives, to the Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Class Member who requests exclusion using this procedure will not be entitled to receive any payment from the Settlement and will not be bound by the Settlement Agreement. Any Class Member who does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of the Settlement is granted. A Class Member cannot submit both a Request for Exclusion and an objection. If a Class Member submits an Objection and a Request for Exclusion, the Request for Exclusion will control, and the Objection will be overruled.

## **10. DISTRIBUTION OF PAYMENTS**

### **A. Distribution of Individual Settlement Payments**

Participating Class Members will receive an Individual Settlement Payment. Individual Settlement Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Within seven (7) calendar days after expiration of the 180-day period, checks for such payments shall be canceled and funds associated with such checks shall be transmitted to the California Controller’s Office, Unclaimed Property Fund.

## **B. Funding of Settlement**

USS shall, within thirty (30) calendar days of the Final Approval Date, make payment of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17 of this Agreement) and Class Counsel's fees and costs to the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured banking institution, for distribution in accordance with this Agreement and the Court's Orders, and subject to the conditions described herein.

## **C. Time for Distribution**

Within seven (7) calendar days after payment of the full Gross Settlement Amount and Class Counsel's fees and costs, or as soon thereafter as practicable, the Settlement Administrator shall distribute all payments due from the QSA for: (1) the Service Award to Plaintiff, as specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Costs Award to be paid to Class Counsel, as specified in this Agreement and approved by the Court; and (3) the Settlement Administrator Costs, as specified in this Agreement and approved the Court. The balance remaining shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be made to Participating Class Members. All interests accrued shall be for the benefit of the Class Members and distributed on an equal share basis.

## **11. INDIVIDUAL SETTLEMENT PAYMENTS**

Individual Settlement Payments will be calculated and distributed to Participating Class Members from the Net Settlement Amount on a per-Class Member basis, based on the total number of Participating Class Members. Each Participating Class Member shall receive an equal portion of the Net Settlement Amount. To determine each Participating Class Members' Individual Settlement Payment, the Settlement Administrator will use the following formula: Participating Class Members' Individual Settlement Payment = Net Settlement Amount ÷ Total Number of Participating Class Members. Individual Settlement Payments shall be paid to Participating Class Members by way of check.

**12. ATTORNEYS' FEES AND LITIGATION COSTS**

Class Counsel shall apply for, and USS shall not oppose, an award of attorneys' fees and costs of up to One Hundred Fifteen Thousand Dollars and Zero Cents (\$115,000.00.). Awards of attorneys' fees and costs shall be paid separately from the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle, and obtain Final Approval of the settlement in Action. The "future" aspect of the amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel (including any appeals therein). There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from USS for such work unless, USS materially breach this Agreement, including any material term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

**13. SERVICE AWARD TO PLAINTIFF**

Named Plaintiff shall seek, and USS shall not oppose, a Service Award in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff, for participation in and assistance with the Action. Any Service Award and additional consideration awarded and/or paid to Plaintiff shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. If the Court approves the Service Award in less than the amounts sought herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

**14. TAXATION AND ALLOCATION**

a. Each Individual Settlement Share shall be allocated as follows: 100% as interest and penalties (to be reported on an IRS Form 1099 to the extent required by applicable law).

b. Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") to the extent required by applicable law and consistent with this Agreement. If the Code, the regulations promulgated

thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring USS into compliance with any such changes.

c. Neither Plaintiff's Counsel nor USS Counsel intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

#### **15. ADDITIONAL CONSIDERATION**

(1) USS agree to represent to the Court that they changed their approach to reviewing their background screening disclosure and authorization forms in light of Plaintiff's lawsuit; and

(2) USS agrees that Plaintiff may represent the changes mentioned in this Section as an additional benefit to the Class in support of Plaintiff's application for attorneys' fees and Service Award.

#### **16. COURT APPROVAL**

This Agreement is contingent upon an order by the Court granting Final Approval of the Settlement. In the event it becomes impossible to secure approval of the Settlement by the Court or the Court grants final approval conditioned on any material change to the Settlement that is not agreed to by one of the Parties, then either Party will have the right to void the Settlement. If the Settlement is voided in this manner, the Parties will have no further obligations under the Settlement, including any obligation by USS to pay any amounts that otherwise would have been payable under this Settlement, and the Parties shall be restored to their respective positions in the Action prior to entry of this Settlement. If this Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal, it shall have no force or effect and no Party shall be bound by its terms except to the extent: (a) the Court reserves any authority to issue any appropriate orders when denying approval; and/or (b) there are any terms and conditions in this Settlement Agreement specifically stated to survive the Settlement Agreement being voided or not approved, and which control in such an event. However, an award by the Court of a lesser amount than that

sought by Plaintiff and Class Counsel for attorneys' fees and costs and/or the Service Award will not constitute a material change to the Settlement within the meaning of this paragraph, nor will reasonable modifications the Court recommends with respect to the content of notices to be delivered to the Participating Class Members or deadlines the Court sets associated with the administration of the Settlement.

Provided that the Judgment is consistent with the terms and conditions of this Settlement, Plaintiff, Participating Class Members, USS, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, a motion under Code of Civil Procedure Section 473, and any extraordinary writ, and the Judgment therefore will become non-appealable by them at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment, consistent with the terms of this Settlement, becomes Final.

If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, writ, or application, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then either Party will have the right to void the Settlement, which the Party must do by giving written notice to the other Party, the reviewing court, and the Court, not later than fourteen (14) days after the reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes final. A vacation, reversal, or modification of the Court's award of Class Counsel's attorneys' fees and costs and/or of the Service Award will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph.

**17. INCREASE IN CLASS SIZE**

USS estimates that, for the duration of the Class Period, there are approximately 1,300 Class Members. In the event the number of Class Members increases by more than 10% in the Class Period, i.e., 130 Class Members, then: (1) the Gross Settlement Amount shall be increased proportionally by the number of Class Members in excess of 1,430 multiplied by Class Member Value; or, at USS's discretion, (2) the Class Period shall end on the date the number of Class Members reaches 1,430 Class Members. The Class Member Value shall be the originally agreed-upon Gross Settlement Amount divided by 1,300, which amounts to \$176.92 ( $\$230,000 / 1,300$ ). Thus, for example, should there be 1,440 Class Members during the Class Period, and USS elects option (1) above, then the Gross Settlement Amount shall be increased by \$ 1,769.20  $[(1,440 - 1,430) \times \$176.92]$ .

**18. DEFENDANTS' RIGHT TO WITHDRAW**

If more than five percent (5%) of the number of Class Members submit a complete, valid, and timely Request for Exclusion from the Settlement, then USS shall have the unilateral right to void this Settlement. USS may do so by giving notice to Plaintiff and the Court of its election to void the Settlement not later than seven (7) days after the Settlement Administrator issues its declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the name, number of, and copies of all Requests for Exclusion and Objections received by the Settlement Administrator as described in Paragraph 9(A)(3). Notwithstanding any other provisions in this Settlement, no sums shall be payable by USS in the event that this Settlement is voided as provided for herein.

**19. NOTICE OF JUDGMENT**

In addition to any duties set out herein, the Settlement Administrator shall provide notice of the Final Judgment entered in the Action by posting the same on its website for a period of no less than 90 days.

## **20. MISCELLANEOUS PROVISIONS**

### **A. Interpretation of the Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary, or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of law provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Central District Court of California, and Plaintiff and USS hereby consent to the personal jurisdiction of the Court in the Action over it solely in connection therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties, and each of them, participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor USS may claim that any ambiguity in this Agreement should be construed against the other. The Agreement may be modified only by a writing signed by the Parties and/or counsel for the Parties, as authorized, and approved by the Court.

### **B. Further Cooperation**

The Parties and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary to consummate the Settlement as expeditiously as possible. The Parties agree that they will not take any action inconsistent with this Agreement, including, without limitation, encouraging Class Members to opt out of the Settlement. In the event the Court finds that any Party has taken actions inconsistent with the Settlement, including, without limitation, encouraging Class Members to opt out of the Settlement, the Court may take any corrective actions, including enjoining any Party from communicating regarding the Settlement on an *ex parte* basis, issuing

corrective notice(s), awarding monetary, issue, evidentiary and/or terminating sanctions against that Party, and/or enforcing this Agreement despite the presence of opt-outs and/or objections.

**C. Counterparts**

The Agreement may be executed in one or more actual or non-original counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals.

**D. Authority**

Each individual signing below warrants that he or she has the authority to execute this Agreement on behalf of the Party for whom or which that individual signs.

**E. No Third-Party Beneficiaries**

Plaintiff, Participating Class Members, Class Counsel, and USS are direct beneficiaries of this Agreement, and the Released Parties are third-party beneficiaries.

**F. Deadlines Falling on Weekends or Holidays**

To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

**G. Jurisdiction of the Court**

The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

**H. Severability**


In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if USS Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

## **I. Confidentiality**

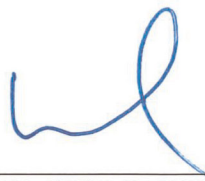
Except as otherwise agreed in writing between the Parties, both before and following the execution of this Settlement Agreement by the Parties and their counsel, there will be no direct or indirect comment or publication by Plaintiff and Class Counsel of the settlement in terms of affirmative or responsive media statements/comments, press releases or conferences, website postings or content, social media postings or content, other Internet postings or content, subscribed email messages, newsletters, disseminated updates, mass mailings, or any other comment or publication to the press, media or public at large. This shall not apply to or limit the public filing of motions or other case materials by Class Counsel in the Action related to seeking and obtaining Court approval of the proposed settlement and the related awards of attorneys' fees and costs, enhancements and the other relief set forth in this Settlement Agreement, or to communications between Class Counsel and Plaintiff or Settlement Class Members. Class Counsel may otherwise state only that the Action has been settled on terms mutually agreeable to the Parties. The Parties understand and agree that there may be media coverage of the settlement of the Action not initiated by Plaintiff or Class Counsel, directly or indirectly. It is also agreed and understood that the Parties and each and every Settlement Class Member, may disclose the settlement to their families, plus their legal, tax, or accounting advisors, insurance companies, or as required by law, regulatory rules or regulatory requirements. Class Counsel may disclose the names of the Parties in the Action, the venues/case numbers, and settlement details available in the public record, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions or for purposes of seeking approval of an unrelated settlement.

### **IT IS SO AGREED:**

Dated: 01/05/2025, 2025

  
Michael Garcia (May 1, 2025 18:03 PDT)  
MICHAEL ALLEN GARCIA  
Plaintiff and Class Representative

Dated: 05.01.2025, 2025



UNITED SITE SERVICES OF CALIFORNIA,  
INC.

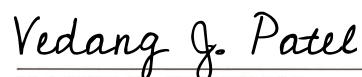
By: Matthew Schemmel

Its: Director of Legal

On behalf of the USS Defendants

**AGREED AS TO FORM:**

Dated: May 1, 2025



DAVID D. BIBIYAN

VEDANG J. PATEL

Counsel for Plaintiff

Dated: May 1, 2025



ROBERT S. BLUMBERG

Counsel for United Site Services of California,  
Inc., United Site National Services Company,  
and United Site Services, Inc.