

STIPULATION OF CLASS AND PAGA SETTLEMENT

This Stipulation of Class and PAGA Settlement (“**Settlement Agreement**”) is reached by and between: (i) Plaintiff Alexis Morales (“**Plaintiff**”), individually and on behalf of all Aggrieved Employees, defined below, and members of the Settlement Class, defined below, on the one hand; and (ii) Defendant Knowles Security, Inc. (“**KSI**” or “**Defendant**”) on the other hand (Plaintiff and Defendant are referred to herein as the “**Parties**”). Plaintiff, Aggrieved Employees, and the Settlement Class are represented by Daniel J. Brown and Jessica Flores of Stansbury Brown Law, PC (“**Class Counsel**”). Defendant is represented by Roxana E. Verano and Joseph P. Sklar of Landegger Verano & Davis, ALC.

Plaintiff filed a class action complaint (“**Complaint**”) against Defendant on June 9, 2023, in Orange County Superior Court, Case No. 30-2023-01330854-CU-OE-CXC, which alleges causes of action for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) waiting time penalties; (6) wage statement violations; and (7) unfair competition. Plaintiff filed a First Amended Class and Representative Action Complaint (“**FAC**”) on July 31, 2023, to add an additional cause of action for civil penalties under the Private Attorneys General Act (“**PAGA**”) pursuant to Labor Code section 2698 *et seq.* based on claims asserted in the PAGA letter Plaintiff submitted to the LWDA on May 24, 2023, in Case No. LWDA-CM-957309-23. The Complaint and FAC are referred to herein as the “**Action**.” The FAC is the Operative Complaint for settlement purposes.

On March 4, 2024, Plaintiff and Defendant, represented by their respective counsel of record, privately mediated the Action before Tagore Subramaniam, Esq. The Parties were unable to reach a resolution at the mediation, but after several months of confirmatory discovery and additional negotiations, the Parties reached a settlement.

Prior to entering into settlement discussions, the Parties conducted significant investigation of the facts and law through informal discovery, which included review and analysis of Defendant’s policies and putative class members’ and Aggrieved Employees’ time records and payroll records. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff’s claims, the defenses thereto, and the damages and penalties claimed by Plaintiff in the Action. As a result of the Parties’ thorough investigation of the allegations and defenses thereto, they were able to reach an agreement for a global settlement after extensive negotiations.

Given the risks and uncertainties of litigation, the Parties have agreed to settle this Action on the terms set forth herein and subject to the approval of Court. Nothing herein shall be construed as an admission of any wrongdoing or of liability as the Settlement Agreement is intended solely to allow the Parties to buy their peace and resolve the disputed claims asserted in this Action.

1. Certification for Settlement Purposes.

For the purposes of this Settlement Agreement only, the Parties stipulate to conditional certification of the following Settlement Class (hereinafter, the “**Settlement Class**” or “**Settlement Class Members**”):

All current and former non-exempt employees of Defendant Knowles Security, Inc. who worked for Defendant at any time during the period of June 9, 2019, through June 23, 2024 (“**Class Period**”).

2. Aggrieved Employees.

For the purposes of this Settlement Agreement only, the Parties stipulate that the “**Aggrieved Employees**” shall be defined as:

All current and former non-exempt employees of Defendant Knowles Security, Inc. who worked for Defendant at any time during the period of May 24, 2022, through June 23, 2024 (the “**PAGA Period**”).

3. Releases.

- A. **Released Parties.** As referenced herein, **Released Parties** shall collectively mean: Defendant Knowles Security, Inc., and its respective past and present officers, directors, and shareholders.
- B. **Releases Effective Upon Full Payment of the GSA.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the wage portion of the individual Participating Member Payments, Plaintiff, Participating Settlement Class Members, and Aggrieved Employees will release claims against all Released Parties as described below.
- C. **Released Class Claims.** All Settlement Class Members who do not opt out of the settlement (collectively, “**Participating Settlement Class Members**”) on behalf of themselves and their respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties, from all claims pled based on the factual allegations in the Action during the Class Period, including: (a) minimum wage violations; (b) failure to pay all overtime wages; (c) rest period violations; (d) waiting time penalties; (e) wage statement violations; (f) unfair competition; and (h) meal period violations.
- D. **Released PAGA Claims.** Aggrieved Employees, regardless of whether they opt out of the Settlement Class, will release and discharge the Released Parties from all claims for PAGA civil penalties that were alleged based on facts pled in the Action for alleged Labor Code violations that arose during the PAGA Period.
- E. **Plaintiff’s Release of Unknown Claims.** In light of his Class Representative Service Award, Plaintiff agrees to release, in addition to the Released Class and PAGA Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers compensation claims or any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that he is, as a result,

waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

4. **Settlement Payment.** In exchange for the releases set forth in this Settlement Agreement, Defendant agrees to pay a common fund of Four Hundred Fifty Thousand Dollars and Zero Cents (\$450,000.00) (“**Gross Settlement Amount**” or “**GSA**”) in full and complete settlement of this matter. Besides the triggering of the escalator clause pursuant to paragraph 4(D) of this Settlement Agreement and Defendant’s payment of its share of payroll taxes pursuant to paragraph 4(C) of this Settlement Agreement, in no event shall Defendant be required to pay more than the GSA. The GSA shall be paid as follows:

A. **Funding and Disbursement of the Gross Settlement Amount.** The GSA shall be deposited with the Settlement Administrator in three (3) installments as follows: (1) Defendant shall make the first installment of \$100,000.00 within seven (7) days of Preliminary Approval; (2) Defendant shall make an additional payment of \$175,000.00 within twenty-eight (28) days of the date of **Final Approval** (which, for this purpose, shall be defined as the date on which the Court enters an Order granting Final Approval, or solely in the event that there are any objections to the settlement, the filing of an objection being a prerequisite to the filing of an appeal, the later of: (i) the last date on which any appeal might be filed, or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review); and (3) Defendant shall make the remaining payment of \$175,000.00 within six (6) months of the date of Final Approval, unless Final Approval is granted on or after April 4, 2025, in which case all outstanding payments will be made within twenty-eight (28) days of Final Approval. The Settlement Administrator shall disburse Plaintiff’s Class Representative Enhancement Payment, Class Counsel’s litigation costs and expenses, and sixty percent (60%) of Class Counsel’s attorneys’ fees within fifteen (15) days of Final Approval. Disbursement of all other portions of the Maximum Settlement Amount, including the remaining forty percent (40%) of Class Counsel’s attorneys’ fees, shall be made within fifteen (15) days of the final installment payment. The Settlement Administrator shall hold all portions of the Maximum Settlement Amount in an interest-bearing account for the benefit of the Settlement Class until the time for disbursement as called for in this Settlement Agreement.

B. **Non-revisionary.** This is a non-reversionary settlement. The Gross Settlement Amount includes:

- i. All payments to the Aggrieved Employees and Settlement Class;
- ii. **Settlement Administrator.** All fees and expenses of the settlement administrator associated with the administration of the settlement, which are anticipated to be

no greater than Eight Thousand Nine Hundred Ninety Dollars and Zero Cents (\$8,990.00). The Parties agree to the appointment of Apex Class Action Administration as the settlement administrator (“**Settlement Administrator**”) and to Class Counsel seeking Court approval to pay up to Eight Thousand Nine Hundred Ninety Dollars and Zero Cents (\$8,990.00) from the Gross Settlement Amount for the Settlement Administrator’s services. The Settlement Administrator shall be responsible for sending all required notices in both English and Spanish, providing written reports to Class Counsel and Defense Counsel that, among other things, tally the number of Notices mailed or re-mailed, Notices returned undelivered, Requests for Exclusion, objections and disputes received from Settlement Class Members, calculating the Net Settlement Amount, calculating each Settlement Class Member’s and Aggrieved Employees’ Participating Member Payment, defined below, amount, preparing all checks and mailings and disbursing all residuals resulting from uncashed settlement checks as set forth in Paragraph 5(C), and providing declarations regarding the Settlement Administrator’s background and services for Preliminary Approval, attesting to its due diligence and compliance with all of its obligations under this Agreement for Final Approval, and a final report detailing disbursement of the Gross Settlement Amount in compliance with the Final Approval Order. The Settlement Administrator shall also create a static URL to post key settlement documents including this Settlement, the operative complaint, the preliminary approval order, final approval order, and final judgment. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after checks have been mailed to all Aggrieved Employees and Participating Settlement Class Members (collectively “**Participating Members**”). Any funds allocated to the Settlement Administrator but not paid shall be distributed to Participating Members on a pro-rata basis;

- iii. Class Representative Service Award. Up to Five Thousand Dollars (\$5,000.00) for a class representative service award to Plaintiff subject to Court approval, in recognition of Plaintiff’s general release of claims, contributions to the Action, and service to the Settlement Class. Defendant will not object to a request for a Class Representative Service Award for Plaintiff in exchange for the general release of his claims and waiver of Civil Code Section 1542, his time and risks in prosecuting this case, and his service to the Settlement Class. This payment will be in addition to Plaintiff’s Participating Member Payment (defined below) as a Participating Member and shall be reported on an IRS Form 1099 by the Settlement Administrator. It is the intent of the Parties that the Class Representative Service Award to the Plaintiff is for his services in connection with this Action and is not wages, therefore the Settlement Administrator shall not withhold any taxes from the Class Representative Service Award and shall report it on an IRS Form 1099, which shall be provided to Plaintiff and to the pertinent taxing authorities as required by law. Although it is the contemplation of the Parties that the Class Representative Service Award does not represent wages, the Internal Revenue Service, the California

Franchise Tax Board, or some other taxing authority may take the position that some or all of the Class Representative Service Award constitutes wages for income tax and withholding purposes. Plaintiff agrees to assume all responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts required by law, if any, to be withheld by Defendant from the Class Representative Service Award paid under this Settlement Agreement, and all liability associated therewith. In the event that the Court reduces or does not approve the requested Class Representative Service Award, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding;

- iv. Class Counsel Fees and Costs. Up to thirty-five percent (35%) of the Gross Settlement Amount in attorneys' fees, which is currently estimated to be One Hundred Fifty-Seven Thousand, Five Hundred Dollars (\$157,500.00), plus up to Twenty-Five Thousand Dollars (\$25,000.00) in verified costs and expenses related to the Action as supported by declaration. In the event that the Court reduces or does not approve Class Counsel's requested fees and costs, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, and it shall remain binding. If the Gross Settlement Amount increases pursuant to Paragraph 4(D), the amount of fees requested by Class Counsel will increase proportionally such that the requested award is thirty-five percent of the GSA. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised, responses to any intervenors and any appeals necessitated by those objections or intervenors. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when it pays the fee award as approved by the Court; and
- v. PAGA Penalties. Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seven Thousand Five Hundred Dollars (\$7,500.00) will be payable to the Labor & Workforce Development Agency ("**LWDA Payment**"), and the remaining twenty-five percent (25%), or Two Thousand Five Hundred Dollars (\$2,500.00) will be payable to the Aggrieved Employees as the "**PAGA Amount.**" The LWDA Payment and PAGA Amount are collectively referred to herein as the "**PAGA Penalties.**"

C. **Payroll Tax Payments.** Defendant's share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

D. Class Escalator Clause. Based on its records, Defendant estimates there are approximately 430 Settlement Class Members and approximately 18,000 Class Workweeks within the Class Period. If the actual number of Class Workweeks released by this Settlement is greater than 5% of this estimate (i.e., increase by more than 900 Class Workweeks), then Defendant has the option to either (1) agree to increase the Gross Settlement Amount on a pro-rata basis equal to the increase in number of Class Workweeks (e.g., if the number of Class Workweeks increases by 11%, the GSA will increase by 11%); or (2) elect to end the Class Period on an earlier date at the Defendant's discretion in order to limit the number of Class Workweeks released to no more than 18,000 in lieu of paying an increase to the Gross Settlement Amount.

A "Class Workweek" shall be any calendar week in which the Settlement Class Member worked at least one shift performing work for Defendant during the Class Period based on Defendant's records.

A "PAGA Pay Period" shall be any calendar week in which Aggrieved Employees worked at least one shift performing work for during the PAGA Period based on Defendant's records.

5. **Participating Member Payment Procedures.** Participating Settlement Class Members and Aggrieved Employees (collectively, "**Participating Members**") are not required to submit a claim form to receive their share of the Settlement ("**Participating Member Payment**"). Participating Member Payments will be determined and paid as follows:

A. **Net Settlement Amount:** The Net Settlement Amount is the Gross Settlement Amount after the following deductions are made: (a) all costs of settlement administration; (b) Class Representative Service Award to Plaintiff; (c) the LWDA Payment; and (d) costs and attorneys' fees for Class Counsel. The Net Settlement Amount shall be available for Participating Members. From the Net Settlement Amount, the Settlement Administrator will calculate each Participating Member Payment based on the following formula:

- i. **PAGA Amount.** Each Aggrieved Employee shall receive a portion of the Two Thousand Five Hundred Dollars (\$2,500.00) that has been designated as the PAGA Amount based on their proportionate share of PAGA Pay Periods, by multiplying the PAGA Amount by a fraction, the numerator of which is the Aggrieved Employee's PAGA Pay Periods, and the denominator of which is the total PAGA Pay Periods of all Aggrieved Employees.
- ii. **Remainder.** The remainder of the Net Settlement Amount shall be distributed to each Participating Settlement Class Member based on their proportionate share of Class Workweeks, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Participating Settlement Class Member's Class Workweeks, and the denominator of which is the total Class Workweeks of all Participating Settlement Class Members.

- B. Participating Member Payment Tax Treatment.** For purposes of calculating applicable taxes and withholdings for the payment to Participating Members described in Paragraph 5(A)(ii), twenty percent (20%) of each such payment shall be designated as wages subject to W-2 reporting and normal payroll withholdings; the remaining eighty percent (80%) of each such payment shall be designated as penalties and interest subject to IRS Form 1099 reporting with no withholdings. Additionally, 100% of the PAGA Amount paid to Aggrieved Employees shall be designated as penalties and interest subject to IRS Form 1099 reporting with no withholdings. Notwithstanding the treatment of these payments to each Participating Member above, none of the Participating Member Payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- C. Deadline to Negotiate Participating Member Payment.** Each Participating Member who receives a Participating Member Payment must negotiate the settlement check within one hundred eighty (180) days from the date of issuance. The one hundred eighty (180) day expiration of the settlement checks will be pre-printed on the front of the settlement check. Any funds payable to Participating Members whose checks are not negotiated within one hundred eighty (180) days period will not be reissued, except for good cause and as mutually agreed by the Parties in writing. If a Participating Member does not cash his or her settlement check within 180 days, the uncashed funds, subject to Court approval, shall be transferred by the Settlement Administrator to the Boys & Girls Clubs of Central Orange Coast, as the designated *cy pres*.
- D.** Defendant shall be deemed to have fully discharged its obligations to each Participating Member when the Settlement Administrator mails each Participating Member a settlement check, regardless of whether such checks are actually received and/or negotiated by Participating Members. Neither Plaintiff, Defendant, nor their respective counsel shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by his, her, or its own acts of omission or commission, the same is true for the Settlement Administrator.
- 6. Preliminary Approval.** Plaintiff shall apply to the Court for the entry of an Order:
- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
 - B. Appointing Daniel J. Brown and Jessica Flores of Stansbury Brown Law, PC as Class Counsel;
 - C. Appointing Alexis Morales as the Class Representative for the Settlement Class;
 - D. Approving Apex Class Action Administration as Settlement Administrator;
 - E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

- F. Approving the form and content of the Class Notice Packet (comprised of the Class Notice, Objection Form, and Exclusion Form) and directing the mailing of same in English and Spanish;
 - G. Scheduling a Final Approval hearing;
 - H. Plaintiff shall submit the proposed settlement to the Labor Workforce Development Agency (“LWDA”) pursuant to Labor Code § 2699(l)(2). Proof of this submission will be provided to the Court and to Defendant’s counsel; and
 - I. If Final Approval is granted, Plaintiff shall submit a copy of the Superior Court’s judgment to the LWDA after entry of the judgment or order, pursuant to Labor Code § 2699(l)(3).
7. **Notice Procedures.** Following preliminary approval, Settlement Class Members and Aggrieved Employees shall be notified as follows:
- A. Within fourteen (14) days after entry of an order preliminarily approving this Settlement Agreement, Defendant will provide the Settlement Administrator with a class list (in electronic format) including the full names, last known addresses, social security numbers, dates of employment, Class Workweeks and PAGA Pay Periods for each Aggrieved Employee and Settlement Class Member.
 - B. Within seven (7) days from receipt of the class list information, the Settlement Administrator shall: (i) run the names of all Settlement Class Members and Aggrieved Employees through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members and Aggrieved Employees; (ii) update the addresses of any Settlement Class Member or Aggrieved Employee for whom an updated address was found through the NCOA search; and (iii) mail the Notice Packet to each Settlement Class Member or Aggrieved Employee in English and Spanish at their last known address or at the updated address found through the NCOA search, and retain proof of mailing.
 - C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member or Aggrieved Employee immediately, and in any event within three (3) business days of obtaining the updated address. Settlement Class Members that have notices remailed will have 60 days from the date of remailing to request exclusion from or to object to the Settlement and to dispute the number of Class or PAGA Workweeks stated in their Class Notice.

- D. Opt-Out/Request for Exclusion Procedures.** Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail or fax a Request for Exclusion Form (defined below) to the Settlement Administrator within sixty (60) days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
- i. The Request for Exclusion must: (1) contain the name and address, telephone number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the class settlement; (3) be signed by the Settlement Class Member; and (4) be faxed or postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion fails to comply with items (1), (2), or (4), it will not be deemed a valid Request for Exclusion from this settlement, except a Request for Exclusion not containing a Settlement Class Member’s telephone number will be deemed valid. The date of the postmark on the Request for Exclusion, shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement (although the PAGA settlement and release provisions will apply to each such individual, and such individual shall be entitled to their share of the PAGA Amount) or have any right to object, intervene, appeal, or comment thereon. Any Settlement Class Member who does not submit a Request for Exclusion is automatically deemed a Participating Settlement Class Member.
- E. Objections.** Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant’s counsel as well as filing them with the Court). Defendant’s counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant’s counsel and Class Counsel shall have ten (10) days to respond. To be valid, any objection must: (1) contain the objecting Settlement Class Member’s full name and current address; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) absent good cause found by the Court objections must be postmarked on or before the Response Deadline. Members of the Settlement Class May also appear in person at the Final Approval Hearing to object to the Settlement.
- F. Challenges to Participating Member Payment Calculations.** Each Notice Packet mailed to a Settlement Class Member or Aggrieved Employee shall disclose the amount of the Settlement Class Member’s or Aggrieved Employee’s estimated Participating Member Payment as well as all of the information that was used from Defendant’s records in order to calculate the Participating Member Payment, including the number of Class Workweeks and the number of PAGA Pay Periods. Settlement Class Members

and Aggrieved Employees will have the opportunity, should they disagree with Defendant's records regarding the number of Class Workweeks and PAGA Pay Periods stated in their Notice Packet, to challenge the data provided. In order to challenge Defendant's data, the Settlement Class Member or Aggrieved Employee must provide documentation and/or an explanation demonstrating that Defendant's data is incorrect and evidencing the correct number of Class Workweeks and/or PAGA Pay Periods that the Settlement Class Member or Aggrieved Employee believes they should have been credited with and/or evidence of the correct date their employment ended. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The Settlement Administrator shall provide a copy of the challenge and any supporting documentation to counsel for the Parties within five (5) days of receipt.

G. Dispute Resolution. The Settlement Administrator shall have the responsibility of resolving all disputes that arise during the settlement administration process, including, without limitation, disputes (if any) regarding the calculation of Settlement Class Member's or Aggrieved Employee's Participating Member Payment, the allocation of W-2 wages, and the number of Class Workweeks and PAGA Pay Periods. Where the information submitted by Defendant from its records differ from the information submitted by the Settlement Class Member or Aggrieved Employee, the Settlement Administrator shall request a conference call between the Settlement Administrator, Class Counsel, and Defendant's counsel to discuss and resolve the dispute. In advance of the conference call, the Settlement Administrator shall email copies of all available information to all counsel. After consulting with the Parties to determine whether an adjustment is warranted, the Settlement Administrator will finally determine the eligibility for an amount of any Participating Member Payment. Such determination shall be binding upon the Settlement Class Member, Aggrieved Employee, and the Parties.

8. **Final Approval Process.** Following preliminary approval and the close of the Response Deadline under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

B. Approving Plaintiff's application for Settlement Administrator's fees and expenses, Plaintiff's Class Representative Service Award, Class Counsel's attorneys' fees, Class Counsel's costs and expenses, and the PAGA Penalties; and

C. Entering judgment pursuant to California Rule of Court 3.769.

9. **Court's Continued Jurisdiction.** Pursuant to Section 664.6 of the California Code of Civil Procedure and California Rule of Court 3.769(h), the Court will retain jurisdiction to enforce the Settlement and any Final Order and Judgment.

10. **Non-Admission.** Defendant denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, that it has any liability to anyone under the claims asserted in the Action, and that but for this settlement a class should not be certified in this Action. Nothing in this Settlement Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendant. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code section 1152.
11. **No Public Comment:** The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.
12. **Amendments or Modifications.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by the Parties or their representatives, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.
13. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery or by e-mail at the addresses of the Parties' representatives set forth below, or such other addresses as the Parties may designate in writing from time to time:

If to Defendant:

Roxana E. Verano, Esq.
Joseph P. Sklar, Esq.
LANDEGGER VERANO & DAVIS, ALC
15760 Ventura Boulevard, Suite 1200
Encino, CA 91436
roxana@landeggeresq.com
joseph@landeggeresq.com

If to Plaintiff:

Daniel J. Brown, Esq.
Jessica Flores, Esq.
STANSBURY BROWN LAW, PC
2610 ½ Abbot Kinney Blvd.
Venice, CA 90291
dbrown@stansburybrownlaw.com
jflores@stansburybrownlaw.com

14. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations,

presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

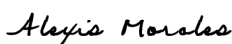
15. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
16. **Failure to Obtain Final Approval.** If the court fails to grant either preliminary or final approval, the Parties shall be restored to their positions at the time of the execution of this memorandum, which shall include but not be limited to, all funds paid by Defendant shall be returned to Defendant, with the exception that if any settlement administration costs are due and payable, Defendant shall pay those costs.

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[SIGNATURES ON FOLLOWING PAGE]

EXECUTION BY PARTIES AND COUNSEL

Date: 4/1/2025

Signed by:

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Alexis Morales, Plaintiff

Date: _____

Joe Zuniga, Chief Executive Officer
Defendant Knowles Security, Inc.

Approved as to form:

Date: _____

LANDEGGER VERANO & DAVIS, ALC

Roxana E. Verano
Joseph P. Sklar
Counsel for Defendant

Date: 4/1/2025

STANSBURY BROWN LAW, PC



Daniel J. Brown
Counsel for Plaintiff and the Settlement
Class

EXECUTION BY PARTIES AND COUNSEL

Date: _____

Date: 4/1/2025

Approved as to form:

Date: 4/1/25


Alexis Morales, Plaintiff

DocuSigned by:

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Joe Zuniga, Chief Executive Officer
Defendant Knowles Security, Inc.

LANDEGGER VERANO & DAVIS, ALC



Roxana E. Verano
Joseph P. Sklar
Counsel for Defendant

Date: _____

STANSBURY BROWN LAW, PC

Daniel J. Brown
Counsel for Plaintiff and the Settlement
Class