

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this settlement agreement is made between Plaintiffs Ribaldo Olvera and Ignacio Gomez on behalf of themselves and the Certified Class (“Plaintiffs”) and Defendants American Corporate Security; American Corporate Security, Inc. (“Defendants”) (collectively Plaintiffs and Defendants are referred to in this Agreement as the “Parties”). This agreement is intended to settle the class action lawsuit entitled, *Ribaldo Olvera and Ignacio Gomez v. American Corporate Security, et al.* Los Angeles County Superior Court Case No. 21STCV16417.

I. DEFINITIONS

In addition to the other terms defined in this agreement, the terms below have the following meaning:

1. **Administration Costs**: The costs incurred by the Settlement Administrator, Apex Class Action Administration to administer this Settlement, which shall not exceed \$15,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
2. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
3. **Aggrieved Employees**: All Class Members who worked for Defendants at any time from May 8, 2019 to December 31, 2025.
4. **Attorneys Fee Award**: The amount of attorneys’ fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed one-third of the Gross Settlement Amount (\$232,434). The Attorneys Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
5. **Class**: All persons who are employed or have been employed by Defendants in the State of California as non-exempt, hourly security guards, security officers, or similar job designations and titles at any time from January 1, 2019, to November 22, 2024 (the date the Court issued an order granting class certification), who worked shifts lasting longer than five hours at security posts that were designated by Defendants as on-duty security posts. The class does not include any employees who signed an arbitration agreement with Defendants.

- A. Non Union Subclass:** All Class Members who at any time during the Class Period worked for Defendants as non-union members.
- B. Union Subclass:** All Class Members who at any time during the Class period worked for Defendants as union members.
6. **Class Claims:** Claims for Meal Periods under Labor Code §§ 226.7 and 512; Meal Period derivative claims for wage statement violations under Labor Code § 226, waiting time penalties under Labor Code § 203, and UCL Claims as certified by the Court in its November 22, 2024, Order.
7. **Class Counsel:** David Mara and Jill Vecchi of Mara Law Firm, PC, and James Hawkins, Greg Mauro, and Michael Calvo of James Hawkins APLC.
8. **Class Data:** The electronic database Defendants shall deliver to the Settlement Administrator which will list the following information for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) telephone number; and (5) the total number of weeks during which the Class Member performed work as a Union member during the Class Period, if any; and (6) the total number of weeks during which the Class Member performed work as a Non Union member during the Class Period, if any. The Class Data shall be based on Defendants' payroll, personnel, and other business records. For purposes of computing the amount of weeks each class member worked, if the Class Member worked at least one day in a week, it shall constitute a workweek.
9. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
10. **Class Notice:** The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
11. **Class Period:** January 1, 2019, to November 22, 2024.
12. **Class Representatives:** Ribaldo Olvera and Ignacio Gomez.
13. **Class Representative Service Payments:** The amount the Court awards to the Class Representatives, Ribaldo Olvera and Ignacio Gomez, which will not exceed \$15,000 each. These payments shall be paid from the Gross Settlement Amount and are being offered in consideration for Plaintiffs executing a general release of claims against Defendants, a release that is broader than any Participating Class Member will provide in consideration for a settlement share. This payment is also offered in consideration for the Plaintiffs' actions in conferring a benefit upon the State of California and the Class, and the time and effort Plaintiffs put into pursuing this lengthy litigation for the betterment of

Class Members. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

14. **Cost Award:** The amount that the Court orders Defendants to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$80,000. The Cost Award will be paid from the Gross Settlement Amount. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
15. **Counsel for Defendants:** Dana Douglas, Douglas Law Group
16. **Court:** Superior Court of California for the County of Los Angeles.
17. **Defendants:** American Corporate Security; American Corporate Security, Inc.
18. **Disbursement of the Settlement:** Within ten (10) calendar days after the Settlement Administrator's receipt of the final installment of the Gross Settlement Amount, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (5) the Administration Costs, as approved by the Court; and (6) the LWDA Payment to the LWDA.
19. **Effective Final Settlement Date:** The effective date of this settlement will be the later of the time when either: (i) the Judgment of the Court granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) the date the Court enters an order on final approval of the settlement, if there are no objections.
20. **Employer Taxes:** Defendants' portion of payroll taxes as the Class Members' current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendants will pay their portion of payroll taxes separate and apart from the Gross Settlement Amount.
21. **Final Judgment or Final Approval:** The final order entered by the Court approving this Agreement.

22. **Funding of Settlement:** Defendants shall wire or otherwise provide to the Settlement Administrator the Gross Settlement Amount in the following installments:
- A. \$100,000 thirty (30) days after the Effective Final Settlement Date (“Initial Payment”);
 - B. \$20,750 on the first of each month following the Initial Payment for twenty-four (24) months (“Monthly Payments”);
 - C. \$100,000 thirty (30) days after the last Monthly Payment.
23. **Gross Settlement Amount or GSA:** The total value of the settlement is a non-reversionary Six Hundred Ninety-Eight Thousand dollars (\$698,000). This is the gross amount Defendants can be required to pay under this Settlement Agreement, with the exception of their obligation to pay Employer Taxes, or if the Escalator Provision is triggered. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Aggrieved Employees, as approved by the Court. Defendants’ portion of payroll taxes as the Class Members’ current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.
24. **Individual Class Settlement Share(s):** The portion of the Net Settlement Amount each Participating Class Member will receive under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Class Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Class Settlement Share automatically, without the return of a claim form.
25. **Individual PAGA Settlement Share(s):** Settlement Class Members will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period.
26. **LWDA:** California Labor and Workforce Development Agency (“LWDA”). The LWDA is empowered to enforce the Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*, and has delegated such authority to Plaintiffs with regard to the claim in this Action through the procedural mechanisms provided for by statute.

27. **LWDA Payment**: Refers to the Seventy-five percent (75%) of the PAGA Payment of \$50,000 that is to be paid to the LWDA as described in this Settlement (*i.e.*, \$37,500).
28. **Net PAGA Settlement Amount or NPSA**: The total amount of money for payout to Aggrieved Employees, which is the PAGA Payment less the LWDA Payment (*i.e.*, \$12,500).
29. **Net Settlement Amount or NSA**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorneys Fee Award, Cost Award, Class Representative Service Payments, the PAGA Payment, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Participating Class Members. The payment of employee-side taxes on the portion of the settlement shares earmarked as wages shall be paid out of the Net Settlement Amount. Thus, the Individual Settlement Shares that are paid out of the Net Settlement Amount shall be reduced by the employee's tax liability for the portion of the settlement shares allocated as wages.
 - A. The NSA will be divided into a "Non Union Subclass Settlement Fund" and an "Union Subclass Settlement Fund" as follows:
 - i. **Non Union Subclass Settlement Fund**: The portion of the settlement fund that is equal to 75% of the NSA and is distributable to the Non Union Subclass Members.
 - ii. **Union Subclass Settlement Fund**: The portion of the settlement fund that is equal to 25% of the NSA and is distributable to the Union Subclass Members.
30. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
31. **PAGA Data**: The electronic database Defendants shall deliver to the Settlement Administrator which will list the following information for each Aggrieved Employee: (1) first and last name; (2) last known mailing address; (3) social security number; (4) telephone number; and (5) the total number of pay periods during which the Aggrieved Employee performed work during the PAGA Period as an Aggrieved Employee. The PAGA Data shall be based on Defendants' payroll, personnel, and other business records.
32. **PAGA Payment**: Refers to the \$50,000 the Parties have agreed to settle the PAGA claims. 75% of this amount, or \$37,500, shall be paid to the LWDA. The remaining 25% of the \$45,000, or \$12,500, shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.

33. **PAGA Period**: May 8, 2019 to December 31, 2025.
34. **PAGA Settlement**: Refers to the settlement of claims included in the Released PAGA Claims, for which Aggrieved Employees will receive an Individual PAGA Settlement Share payment.
35. **Policy Changes**: Refers to the changes to Defendants On-Duty Meal Period Policies applicable to Class Members that are discussed herein at § III of this Agreement.
36. **Participating Class Members**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
37. **Parties**: Plaintiffs Ribaldo Olvera and Ignacio Gomez, as individuals and as Class Representatives, and Defendants American Corporate Security and American Corporate Security, Inc.
38. **Preliminary Approval or Preliminary Approval Order**: The Court's order preliminarily approving the Class Settlement.
39. **Released Class Claims**: All Participating Class Members will release and discharge the Released Parties from any and all Class Claims during the Settlement Period of January 1, 2019, to December 31, 2025.
40. **Released PAGA Claims**: Aggrieved Employees shall release Defendants and the Released Parties from any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act of 2004 pled in the operative Notices to the LWDA and the operative complaint. The Released PAGA Claims shall be for the PAGA Period of May 8, 2019, to December 31, 2025. Aggrieved Employees will release the Released PAGA Claims even if they validly request to be excluded from the class portion of the settlement.
41. **Released Parties**: Defendants and their past or present shareholders, owners, officers, directors, employees, attorneys and agents which could be jointly liable with Defendants for the claims alleged.
42. **Response Deadline**: Sixty (60) calendar days from the initial mailing of the Class Notices.
43. **Settlement Administration**: The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Settlement Administrator will mail the Class Notices by first class U.S. mail to all Class Members at the address resulting from the search of the National Change of Address Database. The Class Notices will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not

receive notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.

44. **Settlement Administrator**: The third party administrator agreed upon by Parties to administer this Settlement is Apex Class Action Administration.

II. **RECITALS**

45. Plaintiff Ignacio Gomez submitted his Notice of Labor Code Violations to the LWDA on May 8, 2020.
46. On April 30, 2021, Plaintiff Ribaldo Olvera filed a class action complaint in the Los Angeles County Superior Court against Defendants, alleging several causes of action premised on alleged violations of the Labor Code and Wage Order.
47. On July 22, 2021, Olvera filed a PAGA-only action in Los Angeles Superior Court, case number 21STCV26885.
48. On September 29, 2022, Plaintiff Ribaldo Olvera filed a First Amended Class Action Complaint (“FAC”), which alleged a PAGA Action and added Plaintiff Ignacio Gomez as a named Plaintiff/Class Representative. The FAC alleged seven causes of action: (1) Failure to Pay Wages, Including Overtime (Lab. Code, §§ 510, 1094); (2) Failure to Provide Meal Periods (Lab. Code, §§ 226.7, 512); (3) Failure to Provide Rest Periods (Lab. Code, §§ 226.7); (4) Failure to Pay Timely Wages (Lab. Code, § 226); (6) UCL; and (7) PAGA Violations for the Underlying Claims.
49. On November 22, 2024, after Plaintiffs filed their motion for class certification, the Court certified Class and Union/Non-Union Subclasses for claims involving Meal Periods, and meal period derivative claims for violations of wage statements, waiting time penalties, and UCL.
50. On March 6, 2025, Notice of the Certified Class Action was sent out to Class Members via U.S. First Class Mail by the Class Action Administrator, Apex Class Action LLC.
51. Thereafter, the Parties attended three mediations, two with respected wage and hour, class action mediator, David Rotman, and one with respected wage and hour, class action mediator, Doug Leach. At these mediations, Defendants provided Class Counsel a robust production of financial documents that were reviewed by private third party accounting experts and demonstrated severe financial distress experienced by Defendants.
52. Based on the production of financial documentation and considerable arms-length negotiations facilitated through the mediators, the Parties were able to reach the instant proposed settlement through a mediator’s proposal.

- 53. Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation and most importantly, Defendant's demonstrated severe financial distress. Plaintiffs and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiffs and Class Counsel believe the settlement set forth in this Settlement Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members, as it provides a definite, present sum of money.
- 54. Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive, which will further Defendant's severe financial distress. Substantial amounts of time, energy, and resources of Defendants have been and, unless this settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendants also recognize that they will not be able to satisfy a potential judgment against them due to their severe financial distress. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Settlement Agreement to put to rest the Released Claims.
- 55. Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, make no concessions or admissions of liability of any sort, and contend that for any purpose other than settlement, the actions are not appropriate for class or representative treatment. Defendants assert a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendants or as to whether a class or classes should be certified, apart from the already Certified Class and subclasses other than for settlement purposes only.
- 56. Plaintiffs' Claims.** Plaintiffs assert that Defendants' defenses are without merit. Neither this Settlement Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the actions. However, in the event that this settlement is finally approved by the Court, the Plaintiffs, Participating Class Members, and Class Counsel will not oppose

Defendants' efforts to use this Settlement Agreement to prove that Plaintiffs and Participating Class Members have resolved and are forever barred from re-litigating the claims released under this Settlement Agreement.

III. SETTLEMENT TERMS AND CONDITIONS

57. Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, that Defendants are obligated to pay under this Settlement Agreement is \$698,000. The Gross Settlement Amount includes, but is not limited to: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendants' portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

56.1. Escalator Provision: At the time of mediation in June of 2025, Defendants represented that there are an estimated 78,056 workweeks worked by the Class Members during the Class Period. If the number of actual total workweeks worked by Class Members during the Class Period, as reported to the Settlement Administrator following preliminary approval, exceeds this amount by more than 10% (i.e., if there are 7,806 or more total workweeks) above and beyond the estimated 78,056 work weeks estimated, Defendants will either: (1) pay an additional sum necessary to increase the Gross Settlement Amount on a proportional basis (i.e., if there was a 15% increase in workweeks, Defendants would increase the Gross Settlement Amount by only 5%); or (2) elect to shorten the Class Period and PAGA Period (along with their associated releases) to a date that the total number of workweeks worked is at or under the 85,862, workweek threshold.

58. Class Certification. As the Court granted class certification on November 22, 2024, the class is already certified for settlement purposes and no further order thereon is needed as part of the Settlement. The certified class includes 675 Class Members.

59. Policy Changes. As part of the Settlement, while Defendant maintains that its policies have been and remain lawful, Defendant shall make any policy changes necessary to comply with the law no later than the Effective Final Settlement Date to its on-duty meal period policies. Specifically, Defendants shall make an independent, non-delegated assessment of each non-union security post it

presently has an on-duty meal period requirement to determine if the nature of the work prevents the employees at these posts from being relieved of all duty. Defendant shall make the assessment for each affected security post based in part on the five-factor test the DLSE requires, which considers: the type of work, the availability of other employees to provide relief to an employee during a meal period, the potential consequences to the employer if the employee is relieved of all duty, the ability of the employer to anticipate and mitigate these consequences such as by scheduling the work in a manner that would allow the employee to take an off-duty meal break, and whether the work product or process will be destroyed or damaged by relieving the employee of all duty. However, Defendant will make additional considerations, including but not limited to the terms of any collective bargaining agreements (“CBAs”) in effect at any of Defendant’s worksites, and the requirements imposed by federal law or regulation. In addition, should Defendants determine after this independent assessment that the nature of the work at the affected posts prevent off-duty meal periods, the resulting on-duty meal period agreements with affected employees shall be in writing and expressly advise that the employees are free to revoke the agreement at any time, except when a CBA provides for and controls the terms of meal periods, when fidelity to a federal or state law or regulation requires otherwise, or any other superseding and controlling law, regulation, or Wage Order.

- 60. Appointment of Class Representatives.** As Plaintiffs Ribaldo Olvera and Ignacio Gomez were already ordered class representatives by the Court pursuant to its November 22, 2024, Order Granting Class Certification, no further Appointment is necessary as part of the instant Settlement.
- 61. Appointment of Class Counsel.** As Class Counsel are already ordered Class Counsel by the Court pursuant to its November 22, 2024, Order Granting Class Certification, no further Appointment is necessary as part of the instant Settlement.
- 62. Individual Class Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Class Settlement Share from the Net Settlement Amount to each Participating Class Member.

61.1 Calculation.

61.1.1 Non Union Subclass Individual Settlement Share Calculation. Participating Non Union Subclass Members will receive a pro-rated share of the Non Union Subclass Settlement Fund (*i.e.*, 75% of the NSA), less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period. The formula for distribution to

Participating Non Union Subclass Members shall be calculated as follows: Defendants shall provide the Settlement Administrator with the total number of work weeks worked by all Non Union Subclass Members during the Class Period; the Settlement Administrator shall then divide the Non Union Settlement Fund by the total number of work weeks resulting in a value for each work week attributable to Non Union Subclass Members (“Non Union Subclass Work Week Value”); the Settlement Administrator shall then take the number of work weeks worked by each Non Union Subclass Member and multiply it by the Non Union Subclass Work Week Value.

61.1.2 Union Subclass Individual Settlement Share Calculation.

Participating Union Subclass Members will receive a pro-rated share of the Union Subclass Settlement Fund (*i.e.*, 25% of the NSA), less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period. The formula for distribution to Participating Union Subclass Members shall be calculated as follows: Defendants shall provide the Settlement Administrator with the total number of work weeks worked by all Union Subclass Members during the Class Period; the Settlement Administrator shall then divide the Union Settlement Fund by the total number of work weeks resulting in a value for each work week attributable to Union Subclass Members (“Union Subclass Work Week Value”); the Settlement Administrator shall then take the number of work weeks worked by each Union Subclass Member and multiply it by the Union Subclass Work Week Value.

61.2 Tax Withholdings. Each Class Member’s Individual Settlement Share will be apportioned as follows: 20% wages, 40% penalties, and 40% interest. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee’s wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be paid from each Class Member’s Individual Settlement Share. The employer share of payroll tax

withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

- 63. Individual PAGA Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual PAGA Settlement Share from the Net PAGA Settlement Amount to each Aggrieved Employee.

62.1 Calculation.

62.1.1 Individual PAGA Settlement Share Calculation.

Aggrieved Employees will receive a pro-rated share of the Net Settlement Amount based on the number of pay periods they worked in California while employed by Defendants during the PAGA Period. The formula for distribution to Aggrieved Employees shall be calculated as follows: Defendants shall provide the Settlement Administrator with the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; the Settlement Administrator shall then divide the Net PAGA Settlement Amount by the total number of pay periods resulting in a value for each pay period attributable to Aggrieved Employees (“Pay Period Value”); the Settlement Administrator shall then take the number of pay periods worked by each Aggrieved Employee and multiply it by the Pay Period Value.

- 62.2 Tax Withholdings.** Each Aggrieved Employee’s Individual PAGA Settlement Share will be apportioned as 100% penalties. The Individual PAGA Settlement Shares shall therefore be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by IRS 1099 forms.

- 64. Constituents of Gross Settlement Amount Disbursement.** Subject to the terms and conditions of this Settlement Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

- 63.1 To the Named Plaintiffs:** In addition to their Individual Settlement Shares, and subject to the Court’s approval, the named Plaintiffs, Ribaldo Olvera and Ignacio Gomez, will receive up to \$15,000 each in consideration for providing Defendants a General Release, a release that is broader than the claims released by Participating Class Members. The Settlement Administrator will pay the Class Representative Service Payments out of the Gross Settlement

Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Service Payments. An IRS Form 1099 will be issued to Plaintiffs with respect to their Class Representative Service Payments.

63.2 To Class Counsel. At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys Fee Award not to exceed one-third of the GSA (\$232,434) and a Cost Award not to exceed \$80,000. The Settlement Administrator will pay the Court approved amounts for the Attorneys Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorneys Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorneys Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

63.2.1 The Attorneys' Fees Award shall be allocated among Class Counsel as follows: 50% to Mara Law Firm, PC, and 50% to James Hawkins APLC.

63.3 To the Responsible Tax Authorities. The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendants' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) will be paid outside of and in addition to the GSA. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes and will forward the amount of the Participating Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.

63.4 To the Settlement Administrator. The Settlement Administrator – Apex Class Action Administration – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$15,000. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is

less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

63.5 To the LWDA and Aggrieved Employees. The Settlement Administrator will pay \$37,500 of the PAGA Payment to the LWDA. This is 75% of the \$50,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the PAGA Payment (which equates to \$12,500) shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.

63.6 To Participating Class Members. The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members and Aggrieved Employees shall be made from the Gross Settlement Amount.

65. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Apex Class Action Administration shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to Class Members and Aggrieved Employees; performing skip traces and re-mailing notices to Class Members and Aggrieved Employees; calling Class Members and Aggrieved Employees with undeliverable notices to obtain accurate addresses; keeping track of any objections or requests for exclusion from Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's and Aggrieved Employee's Individual Settlement Share; providing weekly status reports to Defendants' Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing and re-mailing Individual Settlement Shares to Participating Class Members and Aggrieved Employees; calculating and mailing the LWDA Payment to the LWDA; distributing the Attorneys Fee Award and Cost Award to Class Counsel; printing and providing Participating Class Members, Aggrieved Employees, and Plaintiffs with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; and for such other tasks as outlined in this Agreement or upon which the Parties mutually agree. The Parties each represent that they do not have any financial interest in Apex Class Action Administration or otherwise have a relationship with Apex Class Action Administration that could create a conflict of interest.

66. Procedure for Approving Settlement.

65.1 Cooperation.

65.1.1 All Parties and their counsel shall support the settlement and take such steps as are reasonably necessary to effectuate the settlement.

65.2 Motion for Preliminary Approval and.

65.2.1 Plaintiffs will move for an order: (1) granting Preliminary Approval of the Settlement; (2) setting a date for the Final Approval hearing; and (3) approving the Class Notice.

65.2.2 Defendant's Declaration in Support of Preliminary Approval: Within 14 days of the full execution of this Agreement, but in no event later than the deadline to file the preliminary approval motion, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant 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.

65.2.3 At the same time that Plaintiffs file their Motion for Preliminary Approval, Plaintiffs shall send a copy of the Settlement Agreement to the LWDA pursuant to the 2016 amendments to PAGA.

65.2.4 At the Preliminary Approval hearing, Class Counsel will appear, support the granting of the motion, and submit a proposed order granting Preliminary Approval of the Settlement, appointing Settlement Administrator, approving the Class Notice, and setting the Final Approval hearing.

65.2.5 Effect of Denial of Preliminary Approval. Should the Court decline to Preliminarily Approve all material aspects of the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys Fee Award, Cost Award, Administration Costs, and

Class Representative Service Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Service Payments shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Service Payments.

65.3 Notice to Class Members and Aggrieved Employees. After the Court enters its Preliminary Approval Order, every Class Member and Aggrieved Employee will be provided with the Class Notice in accordance with the following procedure:

65.3.1 Delivery of Class and PAGA Data. Within ten (10) calendar days after entry of the Preliminary Approval Order, Defendants shall deliver to the Settlement Administrator an electronic database, which will list the Class and PAGA Data. If any or all of this information is unavailable to Defendants, Defendants will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Class Data and PAGA Data shall be based on Defendants' payroll, personnel, and other business records. The Settlement Administrator shall maintain the Class and PAGA Data and all information contained within the Class and PAGA Data as private and confidential.

65.3.2 Preparation of Class Notices. Based on the information in the Class and PAGA Data and the formulae set forth herein, the Settlement

Administrator shall promptly calculate the estimated Individual Settlement Share and Individual PAGA Settlement Share for every Class Member and Aggrieved Employee, to be included in the individualized Class Notices to be sent to that Class Member and/or Aggrieved Employee, and shall prepare and mail a spreadsheet setting forth those calculations to Class Counsel and Defense Counsel no fewer than five (5) days before mailing the Class Notices to Class Members and Aggrieved Employees. The Class Notices will inform each Class Member of his/her right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.

65.3.3 Mailing of Class Notices. Within ten (10) calendar days after receipt of the Class and PAGA Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice in English and Spanish to all identified Class Members and Aggrieved Employees using the mailing address information provided by Defendants and the results of the search of the National Change of Address Database on all Class Members and Aggrieved Employees.

65.3.4 Returned Notices. If a Class Notice is returned because of an incorrect address, within five (5) calendar days from receipt of the returned notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These

reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found. The deadlines for Class Members' written objections, disputes, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

65.3.5 Weekly Status Reports. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendants' Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion or objections received.

65.3.6 Settlement Administrator's Declaration. No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel at the same time as the final approval motion is filed. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

65.4 Objections to Settlement. The Class Notice will provide that the Class Members who wish to object to the settlement may do so in writing, signed, dated, and mailed or emailed to the Settlement Administrator postmarked or emailed no later than the Response Deadline. In the alternative a Class Member may appear in Court (or hire an attorney at their own expense to appear in Court) to present oral objections at the Final Approval hearing.

65.4.1 Format. Any written Objections shall state: (a) the objecting person’s full name, address, and telephone number; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

65.4.2 Notice of Intent to Appear. Objecting Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector’s own counsel. Objecting Class Members are permitted to appear regardless of whether they submitted a written objection.

65.5 Request for Exclusion from the Settlement (“Opt-Out”). The Class Notice will provide that Class Members who wish to exclude themselves from the settlement must mail or email to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s social security number or employee identification number; (b) state the Class Member’s intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked or emailed no later than the Response Deadline.

65.5.1 Effect of “Opt-Out.” Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the settlement and subsequent judgment and will not receive an Individual Settlement Share or any benefit of this settlement. If the Class Member is also an Aggrieved Employee as defined in this Agreement, however, he or she will still receive an Individual PAGA Settlement Share payment as approved by the Court. Aggrieved Employees have no right to opt-out of the PAGA Settlement.

65.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the

information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge.

65.5.3 Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Class Settlement Share, and be bound by all terms and conditions of the Settlement and release, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

65.5.4 Report. No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

65.6 Class Member and Aggrieved Employee Disputes. If a Class Member or Aggrieved Employee who receives a Class Notice wishes to dispute the number of work weeks listed on the Class

Notice, the Class Member or Aggrieved Employee may notify the Settlement Administrator by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates the Class Member or Aggrieved Employee contends he or she worked for Defendants during the Class or PAGA Period. The Settlement Administrator shall then provide the documentation provided by the Class Member or Aggrieved Employee to Defendants. Defendants shall review its records, the documentation provided by the Class Member or Aggrieved Employee, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendants' records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member or Aggrieved Employee and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

65.7 Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The website will have the URL www.AmericanCorporateSecuritySettlement.com or similar URL. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

65.8 No Solicitation of Objection or Requests for Exclusion. Neither the Parties or anyone acting on behalf of a Party nor their respective counsel may solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the settlement, or appeal from the Judgment.

65.9 Motion for Final Approval.

65.9.1. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the settlement and the following payments in accord with the

terms of the Settlement: (1) the Attorneys Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Service Payments; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Class and PAGA Claims of the Participating Class Members and LWDA.

65.9.2. Denial or Appeal of Final Approval. If the Court does not grant Final Approval of the settlement, or if the Court's Final Approval of the settlement is reversed or materially modified on appellate review, then this settlement will become null and void. If that occurs, the Parties will have no further obligations under the settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Service Payments, Attorneys Fee Award, Cost Award, and Administration Costs award will not constitute a material modification to the Settlement within the meaning of this paragraph.

65.9.3. Proposed Order and Judgment. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under Court rules and applicable law.

65.10 Waiver of Right to Appeal. Provided that the judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The

waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

65.11 Vacating, Reversing, or Modifying Judgment on Appeal. If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement Agreement, and that Court's decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any material alteration of the Gross Settlement Amount, a material alteration in the calculation of the Net Settlement Amount, and any resulting change to the calculation of the Individual Settlement Share.

65.12 Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Settlement Administrator shall keep Defendants' Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendants, Defendants' Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

65.12.1. Funding the Settlement: Defendants shall wire or otherwise provide to the Settlement Administrator the Gross Settlement in the installments specified herein at § I (21).

65.12.2. Disbursement: Within ten (10) calendar days after the Defendants provide the final installment of GSA as specified herein at § I(21) to the Settlement Administrator, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to be Paid to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (5) the Administration Costs, as approved by the Court; (6) the

LWDA Payment to the LWDA; and (7) Defendants' portion of payroll taxes as the Class Members' current or former employer.

65.12.3. Qualified Settlement Fund or QSF: The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.468B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

65.13 Settlement Administrator's Final Report. Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

65.14 Uncashed Checks. Participating Class Members and Aggrieved Employees must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.

65.14.1Reminder Postcard. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.

65.14.2If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed shall be tendered to the State of California's Unpaid Wage Fund, in the name of the Class Member. In such event, the class member who did not cash his or

her check shall nevertheless remain bound by the settlement.

65.15 Defendants' Legal Fees. Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this action outside of the Gross Settlement Amount.

- 67. Release of Class Claims.** 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 Class Payment, Class Members who do not submit a timely and valid request for exclusion shall release the Released Parties from the Released Class Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Class Claims.
- 68. Release of PAGA Claims.** 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 Class Payment, Aggrieved Employees shall release the Released Parties from the Released PAGA Claims. Aggrieved Employees agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released PAGA Claims.
- 69. Plaintiffs' Release of Claims and General Release.** 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 Class Payment, and in exchange for the Class Representative Service Payments to the named Plaintiffs in an amount of \$15,000 each (or in such amount as the Court may order), Plaintiffs shall give the following general release of claims for themselves and their respective spouse, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of their signatures on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to their employment with Defendants or the remuneration for, or termination of, such employment. Plaintiffs' Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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.

This release excludes any release of any claims not permitted to be released by law.

Also, in consideration for providing Defendants with this complete, general release, Defendants agree to provide a neutral reference (dates of employment and last position held) in response to any inquiries by prospective employers of Plaintiffs.

70. Miscellaneous Terms

69.1 No Admission of Liability. Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the settlement is not approved. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This settlement and Plaintiffs' and Defendants' willingness to settle the action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this settlement).

69.2 No Effect on Employee Benefits. The Class Representative Service Payments and/or Individual Settlement Shares paid to Plaintiffs and Participating Class Members and/or Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacation, holiday pay, retirement plans, etc.) of Plaintiffs or the Participating Class Members or Aggrieved Employees. The Parties agree that any Class Representative Service Payments and/or Individual Settlement Share paid to Plaintiffs or the Participating Class Members and/or Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiffs' or Participating Class Members' and/or Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants. Further, any Class Representative Service Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an

employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

- 69.3 Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- 69.4 Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- 69.5 Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- 69.6 Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the settlement, pending the Final Approval hearing to be conducted by the Court.
- 69.7 Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.

- 69.8 Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 69.9 No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 69.10 Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- 69.11 Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors, current and potential.
- 69.12 No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members and Aggrieved Employees will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members and Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member or Aggrieved Employee, such Class Member assumes all responsibility for the payment of such taxes.
- 69.13 Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment 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 Agreement and all orders and judgments in connection therewith.
- 69.14 Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the

Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

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

69.16 Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

DATED: 3/10/2026, 2026

DocuSigned by:
Ribaldo Olvera
5452233AA3C347E

Ribaldo Olvera

DATED: 3/10/2026, 2026

DocuSigned by:
IGNACIO GOMEZ
516468F2B93C4AD...

Ignacio Gomez

DATED: _____, 2026

Dina Thompson – CEO
on behalf of American Corporate
Security; American Corporate
Security Inc.

DATED: 3/10/2026, 2026

DocuSigned by:
David Mara
4579A5166C10447

David Mara, Esq.
Jill Vecchi, Esq.
Carter Cordura, Esq.

MARA LAW FIRM, PC
Counsel for Plaintiff
Ignacio Gomez



DATED: March 10, 2026

James Hawkins, Esq.
Greg Mauro, Esq.
Michael Calvo, Esq.
JAMES HAWKINS APLC
Counsel for Plaintiff
Fernando Ramos

DATED: _____, 2026


Dana Douglas, Esq.
DOUGLAS LAW GROUP
Counsel for Defendants
American Corporate Security; American
Corporate Security Inc.

MARA LAW FIRM, PC
Counsel for Plaintiff
Ignacio Gomez

DATED: _____, 2026

James Hawkins, Esq.
Greg Mauro, Esq.
Michael Calvo, Esq.
JAMES HAWKINS APLC
Counsel for Plaintiff
Fernando Ramos

DATED: 3/13, 2026



Dana Douglas, Esq.
DOUGLAS LAW GROUP
Counsel for Defendants
American Corporate Security; American
Corporate Security Inc.

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DATED: _____, 2026

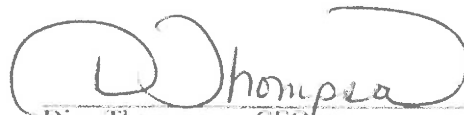
Ribaldo Olvera

DATED: 3/10/2026, 2026

DocuSigned by
IGNACIO GOMEZ
5164EBF2B93C4AD

Ignacio Gomez

DATED: 3/13/26, 2026



Dina Thompson - CEO
on behalf of American Corporate
Security; American Corporate
Security Inc.

DATED: 3/10/2026, 2026

DocuSigned by
David Mara
402605182C10447

David Mara, Esq.
Jill Vecchi, Esq.
Carter Cordura, Esq.