

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between Plaintiff Richard Williams, individually and as representative of a putative class (“Plaintiff”) and Defendants Ideal Services NW, LLC, Ray Salzer, and Cathy Salzer (“Defendants”) in the case entitled *Williams v. Ideal Services NW et al.*, Case Number 24-2-22505-6 KNT (“Lawsuit”) currently pending in King County Superior Court. Together, Plaintiffs and Defendants are referred to here as “the Parties.”

The Parties agree as follows:

- 1) **Cooperation.** The Parties agree to cooperate with each other to accomplish the terms of this Agreement, including but not limited to, execution of the documents and filings necessary to do so. This also includes Defendants’ reasonable cooperation to provide any additional data necessary to calculate Individual Settlement Awards.
- 2) **Court Approval.** The Parties understand that the terms of this Agreement are subject to approval by the King County Superior Court.
- 3) **Defendants Denials of Wrongdoing and Non-Admission of Allegations.** Defendants have denied and continue to deny each of the claims and contentions alleged by Plaintiff on his own behalf and on behalf of any members of the proposed Settlement Class alleged by Plaintiff in the Case. Defendants have asserted, and continue to assert, defenses and objections to the proposed maintenance of this Case as a Class Action as if it were to proceed through litigation instead of settlement. Furthermore, Defendants have expressly denied, and continue to deny, any wrongdoing or legal liability arising out of any of the facts or conduct alleged in this Case. Neither the Settlement, this Agreement, nor any document referred to or contemplated herein—nor any action taken to carry out this Agreement—is, may be construed as, or may be used as an admission, concession, or indication by or against Defendants of any fault, wrongdoing, or liability whatsoever. Defendants expressly deny any such fault, wrongdoing, or liability. If the Parties had not reached the Settlement, then Defendants would have continued to vigorously defend against Plaintiff’s claims, including seeking denial of full or partial class certification and a full and complete defense verdict at trial. Defendants agree to this Settlement solely to avoid the burden and expense of further litigation.
- 4) **Definitions:**
 - a) “Class Counsel” means the law firms of Schroeter Goldmark & Bender.
 - b) “Class Fund” means the portion of the Gross Settlement Fund that is allocated to pay wages, interest, and penalties to Settlement Class Members, after accounting for payment of any Court-approved attorneys’ fees, litigation costs, a class representative award, and third-party administrator fees.
 - c) “Class Period” means the period between October 2, 2021 to October 11, 2024.

- d) “Complaint” means the Second Amended Class Complaint filed by Plaintiff on July 22, 2021.
- e) “Effective Date” means the date by which the Settlement is finally approved by the Court, meaning the later of: (i) thirty (30) days after entry of the Final Order dismissing the Lawsuit if no appeal of that Order is filed, or (ii) the date the Court’s Final Order becomes final and binding after final resolution of any appeals.
- f) “Final Order” means the Court’s order approving the terms of the Parties’ settlement and dismissing the lawsuit with prejudice.
- g) “Class Representative Award” means the proposed payments specified below for Plaintiff Richard Williams.
- h) “Individual Settlement Payments” means the payments made to individual Settlement Class Members.
- i) “Gross Settlement Fund” means the sum of \$200,000.
- j) “Notice” means the document that will be sent to the Settlement Class following preliminary approval of the Parties’ settlement.
- k) “Released Party” means: (i) Defendant Ideal Services NW, LLC and its parents, subsidiaries, affiliates, insurers, past and present officers, directors, agents, employees, equity holders (shareholders, holders of membership interests, etc.), representatives, administrators, fiduciaries, predecessors, successors, transferees, insurers including, but not limited to, United States Liability Insurance (USLI), attorneys, and assignees; and (ii) Defendants Ray Salzer and Cathy Salzer and their heirs and assigns.
- l) “Settlement” means the compromise and settlement embodied in this Agreement.
- m) “Settlement Class” means all hourly-paid current and former employees who worked for Defendant Ideal Services NW, LLC at any time during the Class Period as construction leads, master electricians, certified plumbers, technicians, and similar job classifications who were disclosed to Class Counsel in Defendants’ pay and time records.
- n) “Settlement Class Member” means any individual in the Settlement Class who does not seek to be excluded from this Settlement.
- o) “Child Support Obligor” means any “Settlement Class Member” who is in default, or has any arrearages under a Court support order as identified by Defendants through the Child Support Lien Network’s Insurance Intercept database.

- p) “TPA,” “Third-Party Administrator,” or “Settlement Administrator” refers to the mutually agreed third-party who shall be responsible to establish a qualified settlement fund, issue Notice, process any opt-outs, make payments and distributions, and issue tax documents to Settlement Class Members. The TPA’s fees shall be paid out of the Gross Settlement Fund.
- 5) **Qualified Settlement Fund.** Defendants agree to deposit the Gross Settlement Fund into a qualified settlement fund (the “QSF”) established by the Settlement Administrator in two installments as follows:
- a) Within thirty (30) days of the Final Order, Defendants will deposit \$125,000 by wire or check (the “First Installment”).
 - b) Within three-hundred ninety-five (395) days of the Final Order, Defendants will deposit \$75,000 by wire or check (the “Second Installment”).
- 6) **Allocation of the Gross Settlement Fund.** Subject to Court approval, the Gross Settlement Fund shall be allocated as follows:
- a) Attorneys’ Fees and Costs. Class Counsel will apply for an award of up to twenty-five percent (25%) of the Gross Settlement Fund as payment for attorneys’ fees, plus actual litigation costs and TPA fees. Defendants will not oppose such request. The enforceability of this Agreement is not contingent on the amount of attorneys’ fees, litigation costs, or TPA fees awarded. Any objection regarding the amount of fees or costs and/or any related appeal shall not affect the enforceability of this Agreement nor delay distribution of the Individual Settlement Payments or the Class Representative Award.
 - b) Class Representative Award. Class Counsel will apply for a Class Representative Award of \$5,000 to Plaintiff Richard Williams, separate and apart from any Individual Settlement Payment owed to him. Defendants will not oppose such request. The enforceability of this Settlement Agreement is not contingent on the amount of any Class Representative Award approved by the Court. Any objection regarding the amount of Class Representative Award and/or any related appeal shall not affect the enforceability of this Agreement nor delay distribution of the Individual Settlement Payments or Attorneys’ Fees and Costs.
 - c) Individual Settlement Payments. The remainder of the Gross Settlement Fund (the Class Fund) will be distributed to Settlement Class Members on a claims-paid basis, without the need for any claim forms. The amount of Individual Settlement Payments will be based on the individual’s pro rata share of wages (gross), exemplary damages, and interest as calculated by Plaintiffs. Such calculations will be provided to the TPA within ten (10) days of the Final Order and shared with counsel for Defendants.
 - d) Settlement Class Members in Default. The TPA will provide a completed, signed IRS Form W-9 to Defendant. All settlement awards allocated to Child Support Obligors shall be retained in the Qualified Settlement Fund pending an administrative order from the governing child support enforcement agency (“CSEA”) relating to the transmittal and/or release of such funds. The TPA shall issue checks to the appropriate recipient(s) in strict

adherence with the CSEA's administrative order(s), on a case-by-case basis following the approval of the settlement by the Court.

- 7) **Timing of Payments.** The Settlement Administrator will make two disbursements as follows:
- a) Within five (5) days of receiving the First Installment or the Effective Date (whichever is later), the Settlement Administrator will make the following payment from the QSF: partial payment of the interest and exemplary damages portion of the Individual Settlement Payments in checks made out to the Settlement Class Members. This payment shall be considered the "First Disbursement."
 - b) Within five (5) days of the Settlement Administrator receiving the Second Installment, the Settlement Administrator will make a second disbursement as follows: (i) payment of the remainder of the interest and exemplary damages portion of the Individual Settlement Payments in checks made out to the Settlement Class Members; (ii) payment of the wage portion of the Individual Settlement Payments payment in checks made out to the Settlement Class Members; (iii) payment of any approved Class Representative Award in a check made out to "Richard Williams" and delivered to Class Counsel; (iv) payment of any Court-approved attorneys' fees and litigation costs in a check made out to "Schroeter Goldmark & Bender"; and (v) payment of TPA fees. These payments shall be considered the "Second Disbursement."
 - c) In the event the Court fails to approve all or some of the attorneys' fees, litigation costs, or TPA fees, any moneys remaining in the QSF after the First or Second Disbursement shall be reallocated and paid to the Settlement Class Members on a pro rata basis.
- 8) **Tax Reporting.** The Settlement Administrator will be responsible for calculating the required taxes and withholdings on the Individual Settlement Payments. The Parties agree to cooperate fully with the Settlement Administrator as necessary to facilitate such calculations, payment, and documentation. Individual Settlement Payments will be subject to payroll taxes and withholdings required by law and allocated as follows: (i) 25% will be treated as wages, subject to payroll taxes, and reported on a Form W-2 and (ii) 75% as interest and exemplary damages, not subject to payroll taxes, and reported on a Form 1099-INT. The TPA also will issue Plaintiff a Form 1099-MISC for any Court-approved Class Representative Award; and will issue Class Counsel a Form 1099 for attorneys' fees and costs. The employers' share of taxes on any such payments will not be drawn from the Gross Settlement Fund and will instead be calculated by the Settlement Administrator and funded separately by Defendants. Defendants will pay the employers' share of payments over two separate payments on the dates specified in Paragraph 5 of this Agreement. Plaintiff, Settlement Class Members, and Defendants are each responsible for their own tax obligations arising from the payments described in this Agreement.
- 9) **Confession of Judgment.** The Parties incorporate the attached signed and executed Confessions of Judgment (Ex. A) as a term and condition of this Agreement. Plaintiff will not file this Confession of Judgment unless and until Defendants fail to timely make the payments provided in Section (5), but shall hold the signed and executed Confession of Judgment as security for payment of the Installments.

- 10) **Preliminary Approval.** Class Counsel shall move the Court for entry of an order that: (i) preliminarily approves the Parties' Settlement; (ii) certifies the Settlement Class for purposes of settlement only; (iii) sets a date for a final fairness hearing at least 90 days from the date of the order; (iv) approves the proposed Notice; and (v) appoints TPA to issue the Notice and administer settlement. Class Counsel shall provide Defendants' counsel with a draft of the motion at least seven (7) calendar days before filing. The Parties will attempt in good faith to agree on the form of the proposed Notice in advance. If an impasse is reached, the Parties will request that the Court resolve such dispute at the time of preliminary approval.
- 11) **Class Certification.** For purposes of this Agreement, the Parties stipulate and agree to class certification for purposes of settlement. Should the settlement not become final for any reason, the Parties will be returned to their pre-certification status prior to this Agreement.
- 12) **Notice to Settlement Class.** Within ten (10) days of entry of the Court's order preliminarily approving the Parties' settlement, Defendants will provide the Settlement Administrator the most current mailing addresses, phone numbers, and social security numbers for each member of the Settlement Class in Excel format. Within fifteen (15) days of receiving such information, the Settlement Administrator will then mail the Notice to all individuals in the Settlement Class via first class regular mail. If any Notice is returned as undeliverable within thirty (30) days of mailing, the Settlement Administrator will attempt one trace to locate a better address and, if found, will make a second attempt at mailing the Notice. If the Notice is again returned as undeliverable, no further attempts at delivery will be necessary. TPA will provide the Parties regular updates regarding the Notice process, including any undeliverable notices, and the receipt of any objections, exclusions, and/or challenges to the settlement or any of its terms.
- a) **Exclusion.** Any individual in the Settlement Class may elect to be excluded (opt-out) from the Settlement. To be effective, such election must contain the information specified in the Notice and be submitted to the Settlement Administrator on or before the deadline set forth in the Notice. Any individual who timely requests exclusion from the Settlement Class will not be considered a Settlement Class Member and shall not have any rights under this Agreement nor be bound by its terms. Neither the Parties nor any person acting on their behalf, shall seek to solicit, influence, or otherwise encourage anyone to exclude themselves from this Agreement. In the event the number of Settlement Class Members who have timely requested exclusion from the Settlement exceeds thirty-three percent (33%) of the total number of Settlement Class Members, Defendants have the right, in their sole discretion, to terminate or not to terminate the Settlement. If Defendants choose to exercise this right, they shall give written notice to Class Counsel within ten (10) days after receiving notice from the TPA that more than thirty-three percent (33%) of the Settlement Class Members have timely requested exclusion from the Settlement.
- b) **Objection.** Any Settlement Class Member may object to any term of this Agreement provided that such objection is made in writing, filed with the Court, and received by Class Counsel no later than thirty (30) days after the date the Notice is mailed. Failure to comply with this requirement will be deemed a waiver of the right to object or to be heard at a final hearing.

- c) **Effect of Taking No Action.** The Parties intend that payment to Settlement Class Members occur on a claims-paid basis. Thus, except for individuals who seek a timely exclusion (opt-out), all individuals in the Settlement Class will be deemed Settlement Class Members for all purposes under this Agreement without the need to take any action. Likewise, absent a timely objection to the settlement, Settlement Class Members are deemed to waive their right to object to the settlement's fairness, reasonableness, and adequacy; and waive their right to seek any form of appellate review of the Court's order approving the Parties' Settlement.
- d) **Modifications to the Settlement Class.** If it is discovered after the execution of this Agreement that Defendants have omitted a class member (or members) from the pay and time data who should have been included, Defendants will pay an additional and proportionate amount of money to the Gross Settlement Fund to account for such omission, such that the other class members' pro rata shares are not impacted. Defendants further agree to incur the time and expense of preparing any paperwork or pleading to address the mistake, if necessary.
- 13) **No Residual and Reminder Postcards.** The sum of any checks that are returned as undeliverable or are not cashed within 90 days of the First Disbursement (described above in Section (7)) shall remain in the QSF and be reallocated pro rata among Settlement Class Members for the Second Disbursement. On both Disbursements, TPA will notify Class Counsel no later than 60 days before the check-cashing deadline of the identity of any Settlement Class Members whose checks were returned as undeliverable. After the Second Disbursement, the TPA shall issue and deliver *cy pres* checks to the Legal Foundation of Washington, with notice to Class Counsel of the payments.
- 14) **Release by Settlement Class Members.** In exchange for the terms and conditions outlined in this Agreement, the Settlement Class release Defendants and Released Parties of all claims asserted in the Complaint or that could have been asserted based on the facts alleged in the Complaint (i.e., claims relating to unpaid time and meal periods), including interest, penalties, costs, expenses, and/or attorneys' fees related to such matters. This provision expressly excludes any claims that may not be released by law or claims that accrue after the Class Period. The Settlement Class Members are responsible for reporting their income identified on the Forms W-2 and 1099 discussed in Paragraph 8 of this Agreement, and agree to hold harmless the Released Parties with respect to their own failure to properly report such income. In consideration for Court-approved attorneys' fees and costs, Plaintiff, the Settlement Class, and Class Counsel waive any and all claims to any further attorney fees or costs in connection with this Case.
- 15) **Release by Plaintiff.** Williams, on behalf of his heirs, executors, administrators, and assigns, releases Defendants and Released Parties from any and all releasable claims, demands, causes of action, actions, rights, liabilities, damages, whether punitive or otherwise, and/or attorneys' fees and costs whatsoever at law or in equity or otherwise, direct or indirect, known or unknown, asserted or unasserted, that that have accrued as of date of execution of this agreement.

- 16) **Benefits Not Affected.** The Parties agree that Defendants are not required to recompute or recalculate employee benefits or incentives based on amounts paid pursuant to this Agreement.
- 17) **Final Approval and Dismissal.** On the date established by the Court's order issuing preliminary approval, Class Counsel shall file a motion and proposed Final Order that seeks: (i) final approval of the Settlement, including an order that directs the funding and disbursement of the Individual Settlement Payments, attorneys' fees and costs, the Class Representative Award, and TPA fees, and (ii) dismissal of the Lawsuit with prejudice. Class Counsel shall provide Defendants with a draft of the motion and proposed Final Order at least three (3) calendar days before filing.
- 18) **Appellate Review.** Except to the extent a member of the Settlement Class presents a timely objection to the terms of this Agreement, Settlement Class Members waive their right to seek any form of appellate review over any order issued consistent with the terms of this Settlement Agreement.
- 19) **Voiding the Settlement Agreement.** In the event the Court fails to finally approve the fairness of the Settlement or scope of the Release, this Agreement shall be rendered void and unenforceable as to all Parties. If the Settlement becomes void, this Agreement shall have no force or effect; all negotiations, statements, and proceedings related to it shall be without prejudice to the rights of any party, all of whom shall be restored to their respective positions in the Lawsuit prior to the Settlement; and neither this Settlement Agreement nor any ancillary documents, actions, or filings shall be admissible or offered into evidence in the Lawsuit.
- 20) **Stay of Proceedings.** The Parties agree to stay all further proceedings in this Case, except such proceedings as are necessary to implement and complete this Settlement and/or to implement this Agreement.
- 21) **Authority.** Each signatory to this Agreement states that they have the authority to sign on behalf of the person or entity for which they are signing.
- 22) **Dispute Resolution.** Pursuant to Civil Rule 23, the Parties agree that the Court shall have continuing jurisdiction to consider and resolve disputes that may arise. The Parties agree that the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs. The laws of the State of Washington govern this Agreement.
- 23) **Modification.** This Agreement may be amended or modified only by a written instrument signed by counsel for all parties or their successors-in-interest.
- 24) **Integration Clause.** This Agreement constitutes the entire understanding between the Parties relating to the settlement contemplated.
- 25) **No Prior Assignments.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, and successors. The Parties 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 except as set forth in the Agreement. Plaintiff represents and warrants that he has not filed or initiated any administrative charge, lawsuit, arbitration or other proceeding of any kind whatsoever against Defendants or the Released Parties that has not been dismissed or otherwise completely terminated.

26) **Counterparts.** This Agreement may be executed in counterparts, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding on and effective as to all Parties. Scanned or electronic signatures shall have the same force and affect as an original ink signature.

The undersigned have duly executed this Settlement Agreement as of the date indicated below:

Individually:

Date: September 18, 2025 Richard Williams
Plaintiff, Richard Williams

For Defendants Ideal Services NW, LLC, Ray Salzer, and Cathy Salzer:

Date: 09/22/2025 [Signature]
Name: Ray Salzer
Ideal Services NW, LLC Representative

Date: 09/22/2025 [Signature]
Ray Salzer

Date: 9-22-2025 Cathy
Cathy Salzer