

**SETTLEMENT AGREEMENT BETWEEN MIDWAY STAFFING, INC.
AND THE STATE OF ILLINOIS**

This Settlement Agreement ("Agreement") is made and entered into this 12TH day of June 2025, by and between Midway Staffing, Inc., an Illinois corporation (referred to herein as "Midway"), and the State of Illinois (referred to herein as "the State" or "Illinois Attorney General") through its Attorney General, on behalf of itself and as *parens patriae* for the residents of Illinois (the State and Midway are collectively referred to herein as the "Parties").

WHEREAS, the State has investigated conduct between Midway and other agencies providing temporary staffing services to their common client, Vee Pak, LLC d/b/a Voyant Beauty ("Vee Pak");

WHEREAS, the State has filed a complaint against Midway, other temporary staffing agencies, and their common client Vee Pak, in the matter of *State of Illinois v. Alternative Staffing, Inc., et al.*, No. 22 CH 05069, pending in the Circuit Court of Cook County, Illinois;

WHEREAS, the State alleges that Midway participated in an unlawful conspiracy to prevent workers provided by the temporary staffing agencies from switching agencies in violation of the Illinois Antitrust Act ("Act"). This "no-poach" conspiracy suppressed the wages of the temporary workers who were employed by the agencies and staffed at Vee Pak, and prevented workers who were unhappy with their treatment and conditions of employment from switching among the agencies;

WHEREAS, Midway, denies, and will continue to deny the State's allegations;

WHEREAS, the State has investigated the facts and the law and has determined that Midway participated in and facilitated a conspiracy in violation of the Act, paid temporary workers staffed at Vee Pak lower wages than would have been paid but for the conspiracy, and that Midway's asserted defenses are without merit. Nevertheless, the State has determined that

resolving claims against Midway according to the terms set forth below is in the best interest of the State and for the residents of Illinois;

WHEREAS, Midway has investigated the facts and law and has determined that it has not participated in an unlawful conspiracy to prevent temporary workers provided to Vee Pak from switching temporary staffing agencies, Midway has not paid temporary workers staffed at Vee Pak lower wages than would have been paid but for the conspiracy, and Midway has not violated the Act in any other manner. Nevertheless, Midway is entering into this Agreement not as an admission of liability, but solely to avoid further litigation; and

WHEREAS, this Agreement resolves the State's claims in the complaint only against Midway, and the Parties agree that this Agreement does not resolve the claims in the complaint as to any other named Defendant; and

NOW, THEREFORE, in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, the Parties, intending to be legally bound, hereby agree as follows:

A. Recitals.

1. The recitals set forth above are incorporated into this Agreement by reference and for all purposes shall be interpreted as being an integral and substantive part of this Agreement.

B. Definitions.

2. "Action" means the matter of *State of Illinois v. Alternative Staffing, Inc., et al.*, No. 22 CH 05069, pending in the Circuit Court of Cook County, Illinois.

3. "Circuit Court" shall refer to the Circuit Court of Cook County, Illinois.

4. “Claims” means, collectively, all actions, causes of action, claims, demands, obligations, suits, counter-claims, defenses, rights, omissions, damages, losses, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, attorneys’ fees and costs of defense and investigation), expenses and liabilities of any kind and nature whatsoever, whether absolute or contingent, suspected or unsuspected, matured or unmatured or otherwise.

5. “Client” means a company that contracts with Midway for Temporary Workers to perform work for the Client.

6. “Common Client” means a company that contracts with Midway and another Temporary Staffing Agency(ies), all of which are required to be registered with the Illinois Department of Labor pursuant to the Day & Temporary Labor Services Act (820 ILCS 175/1 et al.), for Temporary Workers to perform work for the Common Client.

7. “Complaint” shall refer to the Complaint filed in the Action on May 26, 2022, and assigned case number 22 CH 05069.

8. “Compliance Materials” shall refer to the documents and other materials described in Paragraph 26.

9. “Effective Date” shall refer to the first date on which both Midway and the State have signed this Agreement.

10. “Midway Releasees” means, collectively, (i) Midway; (ii) each current and former direct or indirect parent companies/corporations, subsidiaries, and/or partnerships of Midway, each current and former direct or indirect shareholder, member or other equity holder of Midway and each current and former direct or indirect affiliate of Midway; (iii) each predecessor, successor, heir, agent and assign of any person or entity referenced in either of the

immediately preceding clauses (i) and (ii); and (iv) each current and former attorney, agent, insurer, trustee, fiduciary, advisor, director, manager, officer, shareholder, member, general partner, limited partner, other equity holder, representative, control person or entity or employee of any person or entity referenced in any of the immediately preceding clauses (i) through (iii) (and each other person or entity with a functionally equivalent role of a person or entity holding such title notwithstanding the lack of such title or any other title) and each of their respective predecessors, successors, heirs, agents and assigns (and each such person and entity referenced in any of the immediately preceding clauses (i) through (iv) is individually referred to herein as a “Midway Releasee”). For the avoidance of doubt, “Midway Releasees” does not include Alternative Staffing, Inc., Staffing Network, LLC, Surestaff, LLC, or Vee Pak, LLC, d/b/a Voyant Beauty.

11. “Employee” shall refer to any individual working full or part time directly for Midway and not assigned to work at a Client and/or Common Client. For the avoidance of doubt, the term “Employee” includes onsite managers who are assigned to work at a Client and/or Common Client but not to perform the Client’s or Common Client’s work.

12. “Final Date” shall refer to the date on which the Circuit Court enters the final judgment implementing this Agreement.

13. “Released Claims” means, collectively, (i) the claims, allegations and causes of action that were asserted in the Complaint, and (ii) any and all claims that the State may now own, hold, have or claim to have against any of the Midway Releasees arising out of conduct described in the Complaint during the Relevant Period.

14. “Relevant Period” shall refer to the period commencing on February 1, 2016, and ending on the Effective Date of this Agreement.

15. “Settlement Fund” shall be \$200,000.00 (“two-hundred thousand”) in United States dollars.

16. “Temporary Staffing Agency” and “Agency” shall have the same meaning as “day and temporary labor service agency” as defined in Section 5 of the Illinois Day and Temporary Labor Services Act, 820 ILC 175/5.

17. “Temporary Worker” shall have the same meaning as “day or temporary laborer” as defined in Section 5 of the Illinois Day and Temporary Labor Services Act, 820 ILCS 175/5.

C. Effectuating the Agreement and Dismissal of Claims against Midway.

18. The State and Midway shall use their reasonable best efforts to effectuate this Agreement, including cooperating in seeking any necessary court approvals.

19. Within 14 business days of the Effective Date, the State and Midway shall jointly seek any orders, approvals and final judgments from the Circuit Court presiding over the Complaint, including an order approving and effectuating this Agreement and entering the injunctive relief and other orders under this Agreement, and entering the final judgment dismissing Midway from the Action with prejudice. The State and Midway agree that for this Agreement to be final, such final judgment shall provide, at a minimum, all of the following:

- a. Midway is enjoined and restrained from engaging in the conduct more fully described in Paragraph 29.
- b. The State shall be awarded twenty-thousand dollars (\$20,000.00) from the Settlement Fund for its fees and costs, which shall be used for the following purposes, within the limits of applicable law: for deposit into an account dedicated to defraying the expenses of the State’s antitrust or

consumer protection enforcement and for such other expenditures as authorized by the Illinois Attorney General.

- c. The remainder of the Settlement Fund shall be distributed, within the sole discretion of the Illinois Attorney General, to the alleged victims of Midway's alleged violations of the Act and may be used for payment of administrative costs for distribution of these funds, including notice costs, if applicable.
- d. Midway is dismissed with prejudice from the Action and released in accordance with the terms of Paragraph 23.
- e. Each party shall bear its own costs and attorneys' fees except as otherwise stated in this Agreement.

20. On the Effective Date, the State and Midway shall be bound by the terms of this Agreement, which shall not be rescinded except in accordance with this Agreement. If any party fails to sign the Agreement within thirty days of the first signature, that party or those parties will be deemed to have rejected the Agreement and it shall not be effective. After the Effective Date, the Parties shall remain bound by the terms of this Agreement.

21. Between the Effective Date and Final Date of this Agreement, Midway's obligation to respond to any discovery or motion (unrelated to compliance with this Agreement) initiated by the State and the State's obligation to respond to any discovery or motion (unrelated to compliance with this Agreement) initiated by Midway shall be stayed. If the Circuit Court denies approval of a final judgment, or a final judgment implementing this agreement is reversed on appeal:

- a. all discovery responses stayed pursuant to this paragraph will be due on the later of: (i) thirty days from such denial of approval or appellate reversal, or (ii) the day such responses would have been due if not stayed;
- b. the Parties will negotiate in good faith to present a proposed briefing schedule to the Circuit Court for briefing and resolution of any motion stayed by this paragraph; and
- c. the Parties will jointly move the Circuit Court for a reasonable extension of any other deadlines.

22. Neither this Agreement nor any final judgment(s), including consent decrees, resulting therefrom, nor any and all negotiations, documents and discussions associated with them, shall be deemed or construed to be an admission by Midway or any other Midway Releasee, or evidence of any violation of any statute or law or of any liability or wrongdoing whatsoever by Midway or any other Midway Releasee, or to be an admission of the truth of any of the claims or allegations contained in the Complaint or any other pleading filed by the State in any action whatsoever, and evidence thereof shall not be discoverable or used directly or indirectly, in any way in any action, lawsuit or other proceeding. Neither this Agreement, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any other action taken to carry out this Agreement by either of the Parties shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, or administrative action or proceeding, except in a proceeding to enforce this Agreement or as otherwise required by applicable law.

D. Release, Discharge, and Covenant Not to Sue.

23. On the Final Date and in consideration of payment of the Settlement Fund, as specified in Paragraphs 15 and 25 of this Agreement, and for other valuable consideration, the Midway Releasees shall be completely released, acquitted, and forever discharged to the fullest extent permitted by law from any and all Released Claims. The State covenants that the State will not sue, or bring or otherwise pursue any Claim against any of the Midway Releasees on the basis of or relating to any Released Claim (regardless of whether the release of any such Released Claim is enforceable under, or prohibited by, applicable law or otherwise). For clarification purposes, nothing contained in this section D shall release or relieve any obligations of Midway, or any rights of the State, under this Agreement.

24. The release, discharge and covenant not to sue set forth in Paragraph 23 of this Agreement includes only the Released Claims and does not include any claims other than the Released Claims, including without limitation any claims arising outside of the Relevant Period.

E. Settlement Amount and Settlement Fund.

25. Subject to the provisions hereof, and in full, complete, and final settlement of the Released Claims as provided herein, Midway shall pay one-hundred-eighty-thousand dollars (\$180,000.00) in United States Dollars to the State as restitution, for deposit in the Attorney General Court Ordered Settlement Distribution Fund, and Midway shall also pay twenty-thousand dollars (\$20,000.00) in United States Dollars to the State for its fees and costs, as described in Paragraph 19(b). Midway shall make payments in two installments: as the first installment, Midway shall pay \$20,000.00 within forty-five (45) business days of the Final Date; and as the second installment, Midway shall pay the remaining and final sum of \$180,000.00 no later than September 30, 2026. Payment in full of the total of \$200,000.00 by Midway will

fulfill the obligations imposed by this paragraph on Midway. The State will provide payment instructions to Midway by separate letter within fourteen (14) days of the Effective Date. After the Final Date, and upon receipt of said payments, the Illinois Attorney General may distribute the funds in his or her sole discretion as permitted by state law. Midway shall have no responsibility for, no rights in, and no authority over the allocation of the Settlement Fund as provided herein. However, Midway agrees to provide the Illinois Attorney General with information within Midway's possession, custody or control that the Illinois Attorney General deems necessary to determine how to locate temporary workers impacted by the conduct alleged in the Complaint including, but not limited to, providing the temporary worker's name, last known address, last known email address, and last known contact information, including any emergency contacts.

F. Compliance.

26. Midway agrees to use its reasonable best efforts to:
 - a. Within 45 days of the Final Date, cooperate with the Illinois Attorney General's efforts to identify key witnesses, if any, to testify at trial about the allegations contained in the Complaint.
 - b. Within 45 days of the Final Date, produce documents in response to all document requests served on Midway by the Illinois Attorney General on January 23, 2023. Provided, however, Midway and the Office of the Illinois Attorney General shall meet and confer in good faith to attempt to resolve any disputes regarding the January 23, 2023 Document Requests, as well as any additional reasonable document requests served on Midway by the Illinois Attorney General related to the Complaint;

- c. Within 45 days of the Final Date, produce complete responses to interrogatories served on Midway by the Illinois Attorney General on January 23, 2023, as well as any additional reasonable interrogatories served on Midway by the Illinois Attorney General. Provided, however, Midway and the Office of the Illinois Attorney General shall meet and confer to attempt to resolve any disputes regarding the January 23, 2023 interrogatories, as well as any additional reasonable interrogatories served on Midway by the Illinois Attorney General related to the Complaint;
- d. Authenticate documents for use in deposition, trial or any other proceeding concerning the Complaint, as reasonably required by the Illinois Attorney General (by only to the extent Midway has the ability to authenticate such documents requested by the Illinois Attorney General). In addition, Midway shall use its reasonable best efforts to provide affidavits on behalf of persons Midway controls as officer, employees or agents for the purpose of authenticating business records, as reasonably required by the Illinois Attorney General;
- e. Make key employees referenced in subsection (a) of this paragraph and as are reasonably identified by the Illinois Attorney General available in Illinois (to the extent Midway maintains control over the individual), at a mutually agreed-upon time and place and Midway's expense, for interviews or evidence depositions; and

- f. At Midway's expense, produce key witnesses, who are identified by the Illinois Attorney General and employed by Midway at the time they are called to testify, for live testimony at trial;
- g. Nothing contained in this Agreement waives Midway's objections to the document requests and interrogatories served on Midway by the Illinois Attorney General on January 23, 2023, or the ability to object to additional discovery requests served on it by the State or any other party in the underlying Complaint. However, Midway shall cooperate in good faith with the State to address and attempt to resolve any disputes. Any unresolved dispute may be brought to the Court's attention for resolution pursuant to Paragraph 41.

27. To avoid any doubt, all terms in this section F are material terms of this Agreement. All terms in this section F are enforceable by court order. If the State believes that there has been a material breach of the terms in this section F by Midway, then the State will provide written notice to counsel for Midway of such belief. The Parties shall then meet and confer to resolve the dispute, and then Midway shall have a reasonable time to cure such material breach before the State may pursue a court order or any other remedy relating to the alleged material breach. If, after a reasonable time, either Midway has not cured the alleged material breach or the Parties have not otherwise resolved any dispute relating to such material breach alleged by the State, then the State may immediately seek enforcement of the breached provision of section F by injunction. Midway's failure to comply with any injunction issued by the Court is subject to the full sanctions power of the Court. The Circuit Court, on application of the State, shall negate the release in Paragraph 23 if Midway fails to use its reasonable best efforts to

produce at trial a key witness who at the time of trial is employed by Midway and whose attendance at trial was timely requested by the State pursuant to Paragraph 26, if any such witnesses are identified pursuant to Paragraph 26. Such negation of the release shall require the State to return the Settlement Fund to Midway, with the exception of \$20,000.00 that the State shall retain as liquidated damages, but will not impair the State's rights to continued possession and use of the Compliance Materials previously received. If the Circuit Court voids the release in Paragraph 23 based on Midway's failure to use its reasonable best efforts to produce at trial a key percipient witness who at the time of trial was employed by Midway and whose attendance at trial was timely requested by the State pursuant to Paragraph 26, any applicable statute of limitations or laches period shall be deemed tolled from the Final Date until one hundred and twenty (120) days after the Circuit Court's ruling.

G. Injunctive Relief – Implementing Policies.

28. The obligations described in Paragraph 29 apply to Temporary Workers that reside in Illinois and to Common Clients operating within Illinois.

29. Midway agrees that, for a period of four (4) years after the Final Date, it will:

- a. Not enter into, or participate in any manner in any agreements with, or engage in communications with other Temporary Staffing Agencies about agreements that restrict a Temporary Staffing Agency from hiring Temporary Workers assigned to Vee Pak or any other Common Client by a different Temporary Staffing Agency or require a Temporary Staffing Agency to force a Temporary Worker assigned to Vee Pak or any other Common Client to return to the Temporary Staffing Agency that had

previously assigned such Temporary Worker to Vee Pak or any other Common Client;

- b. To the extent Midway maintains a list of Temporary Workers that are not eligible for assignment to any Client, commonly referred to as a Do Not Return (“DNR”) list, if a Temporary Worker was placed on the list for the sole reason that they switched from one Agency to another Agency at a Common Client, Midway shall remove the name of that Temporary Worker from the DNR list. It is expressly understood and agreed that nothing contained in this section F or elsewhere in this Agreement shall limit, or is otherwise intended to limit, any ability of Midway to decline to assign any Temporary Worker to a particular Client whose work performance or behavior was unsatisfactory or due to misconduct in a prior assignment at that Client.
- c. Within forty-five (45) days of the Final Date, Midway will notify known Common Clients via email that it must comply with the obligations laid out in Paragraph 29. Prior to distributing this notification to such Common Clients, Midway will submit the proposed notification to the State for approval.

H. Injunctive Relief – Reporting Requirements.

30. The obligations described in Paragraph 31 apply only to Temporary Workers that reside in Illinois and are assigned by Midway to work at Common Clients operating within Illinois.

31. Midway agrees that, for a period of four (4) years after the Final Date, it will:

- a. Within seven (7) business days of the receipt by Midway's corporate management of any of the following in clauses (i) through (iii) below, Midway will report to the Illinois Attorney General by calling the Workplace Rights Hotline at (844) 740-5076, and, if the Office of the Illinois Attorney General requests, produce:
 - (i) Communications demonstrating an agreement prohibiting Temporary Workers switching from one Agency to another Agency at a Common Client;
 - (ii) Communications demonstrating an agreement not to poach Temporary Workers among Agencies working at any Common Client; and
 - (iii) Communications reflecting an agreement or understanding to pay a fixed wage to Temporary Workers placed at any Common Client across multiple Agencies.

For the avoidance of doubt, the communications described in Paragraph 31 a(i)-(iii) do not apply to communications between Temporary Staffing Agencies or communications between the Client or Common Client and Midway to ensure compliance with Sections 30(h) and 42 of the Day and Temporary Labor Services Act (820 ILCS 175/30(h) and 42).

I. Injunctive Relief – Notice and Training Requirements.

32. The obligations described in Paragraphs 33 to 35 apply to Temporary Workers that reside in Illinois and are assigned by Midway to Common Clients operating within Illinois.

33. Within twenty-one (21) business days of the Final Date, Midway shall provide written notice to all of its current Temporary Workers assigned to a known Common Client that any prohibition or limitation on their right to switch to another Agency while continuing to work at the Common Client is void and unenforceable. The notices and their translations in all languages spoken by Temporary Workers at Midway shall be printed in a font that is easily legible (at least 14-point font) and will contain the phone number of the Illinois Attorney General's Workplace Rights hotline, which is (844) 740-5076. Such notice shall be posted within Midway's Illinois branch offices, along with other notices required by federal and state laws and regulations.

34. For a period starting twenty-one (21) business days from the Final Date, through four (4) years after the Final Date, when Midway distributes an initial Employment Notice (as defined by 820 ILCS 175/10) to a Temporary Worker at a known Common Client, Midway will also distribute to the Temporary Worker a notice as described in Paragraph 33.

35. Within one (1) year after the Final Date, and annually thereafter for a period of four (4) years, Midway will provide training to its then current Employees who have responsibilities for contracting to provide Temporary Workers to Midway's Clients or who interview, hire or have any supervisory responsibility over Temporary Workers regarding the Illinois Antitrust Act and the federal antitrust laws including prohibitions of no-poach agreements, price-fixing and wage-fixing.

J. Non-Admission

36. This Agreement, being entered with consent of the State and Midway, shall not constitute an adjudication or finding on the merits of this Action and shall not be deemed an admission by Midway of any violation of the Act or wrongdoing, including the

allegations in the Complaint filed by the State. Midway denies that it has violated the Act in any manner. Midway is entering into this Agreement solely to avoid further litigation.

K. Miscellaneous.

37. This Agreement shall be construed and interpreted to effectuate the intent of the Parties, which is to provide, through this Agreement, for a complete resolution of all Released Claims as provided in this Agreement.

38. Nothing in this Agreement is intended to restrict Midway's ability to comply with any applicable state and/or federal labor laws (including, but not limited to, Section 30(h) of the Day and Temporary Labor Services Act (820 ILCS 175/30(h)), the recent amendments to the Day and Temporary Labor Services Act (SB3650, P.A.103-0347, 820 ILCS § 175/42) and minimum wage laws).

39. This Agreement does not settle or compromise any Claim by the State against any person or entity (other than the Midway Releasees as expressly set forth in this Agreement). All rights against such other persons or entities are specifically reserved by the State.

40. This Agreement shall not affect whatever rights the State may have (i) to seek damages or other relief from any other person or entity (other than the Midway Releasees) with respect to any unlawful conspiracy to prevent the Temporary Workers provided by the Temporary Staffing Agencies from switching Agencies and an unlawful conspiracy to artificially lower the wages paid to those Temporary Workers; and (ii) to assert any cause of action against any person or entity (other than any of the Midway Releasees) with respect to any of the Released Claims.

41. The Circuit Court shall retain jurisdiction over the implementation, enforcement, and performance of this Agreement and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Agreement or the applicability of this Agreement that cannot be resolved by negotiation and agreement by the State and Midway. This Agreement shall be governed by and interpreted according to the substantive laws of the State of Illinois, without regard to its choice of law or conflict of laws principles.

42. This Agreement constitutes the entire, complete and integrated agreement between the State and Midway pertaining to the matters expressly set forth in this Agreement and supersedes all other prior oral or written agreements between the State and Midway with respect to the subject matter contained herein. This Agreement may not be modified, amended or waived other than in a written instrument that is executed by the State and Midway, and, to the extent necessary, approved by the Circuit Court.

43. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the State, Midway, each of the other Midway Releasees and is not for the benefit of, nor may any provision hereof be enforced by, any other person or entity.

44. This Agreement may be executed in counterparts by the State, through its Attorney General, and Midway, through its designated representative and counsel, and a facsimile or electronic signature shall be deemed an original signature for purposes of executing this Agreement.

45. Neither the State nor Midway shall be considered the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the

drafter of this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof.

46. Where this Agreement requires either Party to provide notice to the other, such notice shall be in writing, and such notice shall be provided by email and letter by overnight delivery to the counsel identified below for the Party to whom notice is being provided. Any Party may change the identity of the recipient of such notice by providing notice of such change under the terms of this paragraph.

For the State:

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For Midway:

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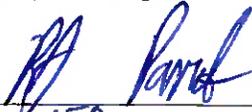
47. Each of the Parties represents and warrants that it is fully authorized to enter into the terms and conditions of, and to execute, this Agreement.

48. If, after the Effective Date, any non-material provision or provisions of this Agreement is prohibited by applicable law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction after the exhaustion of all rights to appeal, the entire Agreement shall not be nullified, such invalid portion or portions shall be severed from the remainder of the Agreement as if they had never been entered into, and the remainder of the Agreement shall be enforced. The Parties agree that the material portions of this Agreement

include, but may not be limited to, portions concerning the release of claims, the payment of the Settlement Amount, and Compliance.

Dated: 06/12/2025

Midway Staffing, Inc.

By: 
Its: CEO

Dated: 6/4/25

KWAME RAOUL
Attorney General of Illinois

By:


Elizabeth L. Maxeiner
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