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9 JORGE NAVARRETE, on behalf of himself,
all aggrieved employees, and the State of California
10 as a Private Attorneys General

11
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 FOR THE COUNTY OF RIVERSIDE, PALM SPRINGS COURTHOUSE

14 JORGE NAVARRETE, an individual, on
15 behalf of himself, all aggrieved employees, and
the State of California as a Private Attorney
16 General,

17 Plaintiffs,

18 vs.

19 SHOTTENKIRK-CALIFORNIA, LLC, dba
20 SHOTTENKIRK DESERT LEXUS, a
California limited liability company, and DOES
21 1-50, inclusive,

22 Defendants.

Case No. PSC2002783

**STIPULATION AND AGREEMENT FOR
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

23
24 **RECITALS**

25 This Stipulation and Agreement for Settlement of PAGA Representative Action is made and
26 entered into by and between Plaintiff JORGE NAVARRETE ("Plaintiff") and Defendant
27 SHOTTENKIRK-CALIFORNIA, LLC, DBA SHOTTENKIRK DESERT LEXUS ("Defendant")
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1 (collectively, the “Parties”) and is made in compromise of disputed claims. The Parties agree that
2 the above-entitled representative action *JORGE NAVARRETE v. SHOTTENKIRK-CALIFORNIA,*
3 *LLC, DBA SHOTTENKIRK DESERT LEXUS*, Case No. PSC2002783, shall be settled on the terms
4 and conditions set forth in this Stipulation, subject to the approval of the Court pursuant to Section
5 2699(1) of the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698,
6 *et seq.* (“PAGA”).

7 On March 17, 2020, Plaintiff JORGE NAVARRETE sent a PAGA Notice to the Labor
8 Workforce and Development Agency (“LWDA”), with a copy to Defendant, though his counsel
9 Nazo Koulloukian, Esq. of Koul Law Firm. On June 1, 2020, Plaintiff Navarrete filed a Complaint
10 in the Superior Court of the State of California, County of Los Angeles in a case titled *JORGE*
11 *NAVARRETE v. SHOTTENKIRK-CALIFORNIA, LLC, DBA SHOTTENKIRK DESERT LEXUS*,
12 which incorporated Plaintiff’s PAGA Notice to the LWDA by reference and alleged a single cause
13 of action under PAGA. Plaintiff’s PAGA Complaint seeks civil penalties for the following alleged
14 Labor Code violations: (1) failing to pay for all hours worked, including overtime hours worked;
15 (2) failing to timely pay all wages owed; (3) failing to provide complaint off-duty meal breaks; (4)
16 failing to provide rest breaks; (5) failing to comply with California sick pay requirements; (6) failing
17 to reimburse for required business expenses; and (7) failing to provide accurate wage statements
18 and maintain accurate payroll records. Plaintiff seeks reasonable attorneys’ fees and costs, pursuant
19 to PAGA (hereinafter referred to as the “Navarrete Action”).

20 The Parties conducted a thorough investigation into the facts of the Navarrete Action. The
21 Parties believe that the settlement is fair, reasonable, and adequate. The Parties understand,
22 acknowledge, and agree that this Settlement Agreement constitutes a compromise of Plaintiff and
23 the Aggrieved Employees’ PAGA claims, and that it is the desire and intention of the Parties to
24 effect a final and complete resolution of the PAGA claims that Plaintiff and the Aggrieved
25 Employees have against Defendant or any persons or companies affiliated with Defendant.

26 The Parties enter into this Settlement Agreement on a conditional basis. In the event the
27 Courts does not enter a Final Order and Judgment as defined in this Settlement Agreement, this
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1 Settlement Agreement will be deemed null and void *ab initio* and will be of no force or effect
2 whatsoever and will not be referred to or utilized for any purpose whatsoever.

3 Defendant denies all claims in the Navarrete Action, and does not waive, but rather
4 expressly reserves, all rights to challenge all such claims and allegations upon all legal, procedural
5 and factual grounds should this Settlement Agreement not become final. This Settlement
6 Agreement reflects a compromise reached to end litigation. The signing by Defendant of this
7 Agreement will not be deemed to be an admission of any wrongdoing or unlawful action by
8 Defendant.

9 The Parties stipulate and agree to the following terms of this Settlement Agreement with
10 the intent that this Agreement finally disposes of the Navarrete Action with prejudice:

11 **DEFINITIONS**

12 1. **“Navarrete Action”** means and refers to case titled *JORGE NAVARRETE v.*
13 *SHOTTENKIRK-CALIFORNIA, LLC, DBA SHOTTENKIRK DESERT LEXUS*, Case No.
14 PSC2002783, which is currently pending in the Riverside County Superior Court, Palm Springs
15 Courthouse, of the State of California.

16 2. **“Aggrieved Employees”** means all current and former hourly, non-exempt
17 employees who are or previously were employed by Defendant in California during the period of
18 March 28, 2019, through the date of Final Order and Judgment approving Settlement of the
19 Navarrete Action (the “PAGA Period”).

20 3. **“Aggrieved Employees Fund”** means 25% of the Net Penalties Fund that is payable
21 to the Aggrieved Employees.

22 4. The terms **“Agreement,” “Settlement,”** and **“Settlement Agreement”** mean this
23 Stipulation and Agreement for Settlement of the Navarrete Action, which the Parties acknowledge
24 sets forth all material terms and conditions of the Settlement between them, and which is subject to
25 Court approval pursuant to Section 2699(1) of the California Labor Code Private Attorneys General
26 Act of 2004, Labor Code §§ 2698, *et seq.*

27 5. **“Covered Position”** means any non-exempt position held by an Aggrieved
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1 Employee during the PAGA Period.

2 6. “**Court**” means the California Superior Court, County of Riverside.

3 7. “**Defendant**” means SHOTTENKIRK-CALIFORNIA, LLC, DBA
4 SHOTTENKIRK DESERT LEXUS.

5 8. “**Effective Date**” of this Agreement means the date after all the following occur:

6 a. Entry by the court of the Final Order and Judgment.

7 b. Submission by PAGA Class Counsel of both this Agreement and the Final
8 Order and Judgment in to the LWDA.

9 c. The occurrence of the “Effective Date of Judgment,” which shall be deemed
10 to be the last to occur of the following:

11 i. If an appeal or other review is sought from the Final Order and
12 Judgment, the next day after the Final Order and Judgment is
13 affirmed, the appeal or other review is dismissed or denied, and the
14 Final Order and Judgment is no longer subject to judicial review or
15 other challenge;

16 ii. If an objection to the Settlement is filed or an opposition to the
17 Settlement is otherwise presented to either Court, but no appeal or
18 other review is sought from the Final Order and Judgment, the sixty-
19 fifth (65th) calendar day after the Final Order and Judgment is
20 signed and entered; or

21 iii. If no objection or opposition to the Settlement is submitted, seven
22 (7) calendar days after the Final Order and Judgment in the
23 aforementioned matters is entered by both Courts.

24 9. “**Final Order and Judgment**” means the proposed order granting approval of the
25 Settlement and entering Judgment in the Navarrete Action, in the form substantially similar to that
26 attached to this Agreement as Exhibit “B.”

27 10. “**Gross Settlement Fund**” means a maximum total of \$200,000 (Two Hundred
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Thousand Dollars), which includes all payments owing as a result of this Agreement and includes: the Aggrieved Employees Fund; LWDA Payment; Representative Plaintiff's Enhancement Award; Settlement Administration Costs; and PAGA Class Counsel Attorneys' Fees and Costs as awarded by the Court.

11. **"LWDA Payment"** means a payment to the California Labor Workforce and Development Agency in an amount equal to 75% of the Net Penalties Fund.

12. **"Net Penalties Fund"** is the Gross Settlement Fund less all of the following: PAGA Class Counsel's Attorneys' Fees and Costs, Representative Plaintiff's Enhancement Award, and the Settlement Administration Costs.

13. **"PAGA Class Counsel"** shall mean the Koul Law Firm and the Law Offices of Sahag Majarian II.

14. **"PAGA Period"** means March 28, 2019, through the date of the Final Order and Judgment approving Settlement of the Navarrete Action.

15. **"Released Claims"** means all charges, complaints, claims, obligations, promises, agreements, controversies, damages, actions, suits, demands, rights, liabilities, costs, losses, debts, penalties, expenses and causes of action that were, or could have been asserted in the Navarrete Action pursuant to the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, *et seq.*, including but not limited to based on alleged violations of Labor Code §§ 201-203, 204, 216, 218, 218.5, 226, 226.2, 226.3, 226.7, 247.5, 248.5, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, and 6401-6413.5, whether for penalties (including, but not limited to, penalties pursuant to Labor Code §2699(f)(2)), attorneys' fees and costs (including, but not limited to, attorneys' fees and costs pursuant to Labor Code § 2699(g)(1), Code of Civil Procedure § 1021.5), or interest arising out of the claims at issue, including but not limited to: (1) failing to pay for all hours worked, including overtime hours worked; (2) failing to timely pay all wages owed; (3) failing to provide compliant off-duty meal breaks; (4) failing to provide rest breaks; (5) failing to comply with California sick pay requirements; (6) failing to reimburse for required business expenses; and (7) failing to provide accurate wage statements and maintain

1 accurate payroll records and all claims arising under: the Wage Orders of the California Industrial
2 Welfare Commission and California Business and Professions Code §§17200, et seq..

3 16. “**Released Parties**” means Defendant SHOTTENKIRK-CALIFORNIA, LLC, dba
4 SHOTTENKIRK DESERT LEXUS, and each of its present and former officers, directors,
5 employees, and, agents =.

6 17. “**Representative Plaintiff**” means JORGE NAVARRETE.

7 **TERMS AND CONDITIONS OF SETTLEMENT**

8 18. **Settlement Payments.**

9 Subject to final Court approval, and the conditions specified in this Agreement, and in
10 consideration of the mutual covenants and promises set forth in this Agreement, Defendant agrees
11 to make a total settlement payment under this Agreement in the amount of Two Hundred Thousand
12 Dollars (\$200,000.00) (the “Gross Settlement Fund”). The Gross Settlement Fund will be
13 distributed in the following manner:

14 a. **Settlement Administration Fees and Costs:** The fees and costs associated
15 with settlement administration (*e.g.*, preparing and mailing payments to the Aggrieved Employees,
16 tax documentation, etc.) (the “**Settlement Administration Costs**”) will be paid from the Gross
17 Settlement Fund and are estimated to be Seven Thousand Five Hundred Dollars \$7,500. The Parties
18 agree to use CPT Group as the Settlement Administrator.

19 b. **PAGA Class Counsel’s Attorneys’ Fees and Costs:** The Parties agree that,
20 subject to the Court’s review and approval, PAGA Class Counsel will be paid \$61,183.33 from the
21 Gross Settlement Fund, which is 33.3% of the Settlement Fund, plus actual litigation costs up to
22 Ten Thousand Dollars \$10,000.

23 c. **Representative Plaintiff’s Enhancement Awards:** The Parties agree that,
24 subject to the Court’s review and approval, Representative Plaintiff will receive a \$2,500.00
25 enhancement award for his services in bringing the Navarrete Action on behalf of the Aggrieved
26 Employees, which will be paid from the Gross Settlement Fund.

27 d. **Penalties Fund:** After deducting Attorneys’ Fees and Costs, Settlement
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1 Administration Costs, and Representative Plaintiff's Enhancement Awards, from the Gross
2 Settlement Fund, **the remaining estimated amount will comprise the Net Penalties Fund**
3 **(\$113,333.32)**. The Net Penalties Fund is for all payments to the Aggrieved Employees and the
4 LWDA.

- 5 i. The Net Penalties Fund shall be allocated 75% to the **LWDA**
6 **Payment**, which is estimated to total approximately \$84,999.00
7 (\$113,333.32 x 75%).
8 ii. The remaining 25% of the Net Penalties Fund (\$28,333.33) shall be
9 paid to the Aggrieved Employees on a *pro rata* basis as below,
10 which shall be referred to as the Aggrieved Employee's "**Individual**
11 **Penalty Payment.**"

12 (1) Each Aggrieved Employee's *pro rata* share shall be
13 determined based on the number of pay periods that the
14 Aggrieved Employee worked for Defendant in a Covered
15 Position during the PAGA Period ("**Eligible Pay Period**")
16 credited to the Aggrieved Employee as a percentage of the
17 total Eligible Pay Periods of employment during the PAGA
18 Period credited to all Aggrieved Employees.

19 (2) Example: Aggrieved Employee A was actively employed
20 during the PAGA Period for 25 Eligible Pay Periods. All
21 Aggrieved Employees were actively employed a combined
22 total of 100,000 Eligible Pay Periods during the PAGA
23 Period. Aggrieved Employee A's Individual Penalty
24 Payment would be calculated as follows:
25 25 Eligible Pay Periods for Aggrieved Employee A ÷
26 100,000 total Eligible Pay Periods for all Aggrieved
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Employees = 0.025%.

Aggrieved Employee A is entitled to an Individual Penalty

Payment in an amount that is 0.025% of the Penalty Fund.¹

e. Taxes and Reporting: Each Aggrieved Employee's Individual Penalty Payment will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 to the respective Aggrieved Employee and applicable governmental authorities.

19. **Release by Aggrieved Employees and State of California.**

a. Terms of Release. In exchange for the consideration recited in this Settlement Agreement, Representative Plaintiff, as the representative for the State of California, and the State of California will forever completely release and discharge, the Released Parties of any and all Released Claims. Representative Plaintiff shall notify the Labor Workforce Development Agency ("LWDA") of this settlement pursuant to Labor Code §2698 et. seq. and shall submit the Final Order and Judgment approving the PAGA settlement to the LWDA within ten (10) days after entry of the Final Order and Judgment.

b. No Claims Based on Stipulation and Agreement. No Aggrieved Employee will have any claim against any of the Released Parties, Defendant's counsel, the Representative Plaintiff, or PAGA Class Counsel, based on errors in administering claims or performing the mailing and skip-tracing requirements of the Settlement Administrator under this Agreement.

20. **General Release by Representative Plaintiff**

a. Terms of Release. In exchange for the consideration recited in this Settlement Agreement, including the Representative Enhancement Awards, the Representative Plaintiff, on behalf of himself, his spouse and on behalf of his current, former, and future heirs, successors, executors, administrators, attorneys, agents, and assigns, does hereby and forever release, waive, acquit and discharge the Released Parties from all claims (suspected or unsuspected, known or unknown) which he has, had or might otherwise have had against the Released Parties, from the beginning of time to the date he signs this Agreement, regarding any aspect of their

¹ The Individual Penalty Payment will be rounded to the nearest penny with .5 rounded up.

1 employment including, but not limited to, the Released Claims, any common law or statutory torts,
2 any federal, state or governmental constitution, statute, regulation or ordinance, and any claim for
3 wages, tips or any other compensation or benefit.

4 b. California Civil Code Section 1542. Upon the Effective Date, the
5 Representative Plaintiff will be deemed to have, and will have, expressly waived and relinquished,
6 to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the
7 California Civil Code which provides as follows:

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

12 c. No Other Actions. The Representative Plaintiff is deemed by operation of
13 the Final Order and Judgment in his PAGA matter to have agreed not to sue or otherwise make any
14 claim against any of the Released Parties based upon any action, event or occurrence prior to the
15 date he signs this Settlement Agreement.

16 21. **Request for Final Order and Judgment.**

17 Upon execution of this Agreement, the Representative Plaintiff shall promptly file this
18 Stipulation and Agreement with the court requesting approval of the Settlement. Accompanying
19 the Stipulation and Agreement filed by PAGA Class Counsel shall be a proposed Final Order and
20 Judgment, in a form substantially similar to Exhibit B. Pursuant to California Labor Code §
21 2699(1)(2), each PAGA Class Counsel shall submit a fully executed copy of this Agreement to the
22 LWDA on the same day that this Stipulation and Agreement is filed with the Court. Pursuant to
23 California Labor Code § 2699(1)(3), PAGA Class Counsel shall submit a copy of the Final Order
24 and Judgment to the LWDA no later than ten (10) calendar days after its entry of judgment.

25 22. **Settlement Funding.**

26 a. Upon the Court entering the Final Order and Judgment, and within 7 days
27 after the Effective Date, the Settlement Administrator shall send Defendant’s counsel electronic
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wiring instructions to fund the Gross Settlement Fund.

b. Within 45 days after the Effective Date, Defendant shall wire to the Settlement Administrator the Gross Settlement Fund (the “**Funding Date**”), including the LWDA Payment. The LWDA Payment (\$84,999.00). The Gross Settlement fund (\$200,000) minus the LWDA payment (\$84,999.00) is \$115,001.00.

c. Within 50 days after the Effective Date, the Settlement Administrator shall issue payments as set forth in this Agreement to: The Aggrieved Employees; PAGA Class Counsel Attorneys’ Fees and Costs; LWDA, and the Representative Plaintiff’s Enhancement (the “**Payment Date**”).

23. **Class List.**

Within 21 days after the Effective Date, Defendants will provide a Class List to the Settlement Administrator which will identify all Aggrieved Employees by name, social security number, and last known home address (“**Class List**”). The Class List will also contain the Aggrieved Employees’ dates of employment during the PAGA Period and the number of Eligible Pay Periods credited to each Aggrieved Employee.

As of the date of execution of this agreement, Defendant estimates that there are 77 Aggrieved Employees who collectively worked no more than 3,671 pay periods from March 28, 2019 to the date of the Parties Memorandum of Understanding, dated June 7, 2021. Defendant will provide a declaration under oath as to the number of Aggrieved Employees and pay periods worked by the Aggrieved Employees prior to the filing of the stipulation for PAGA approval.

24. **List of Individual Settlement Amounts.**

Within 15 days after the Settlement Administrator receives the Class List, the Settlement Administrator will provide to PAGA Class Counsel and Defendant’s counsel a Proceeds List reflecting the Individual Penalty Payment for each Aggrieved Employee (“**Proceeds List**”). The Proceeds List provided to PAGA Class Counsel will not include the Aggrieved Employees’ names, social security numbers or contact information.

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1 **Settlement Payment.**

2 a. On the Payment Date, the Settlement Administrator will pay from the Gross
3 Settlement Fund the Representative Plaintiff's Enhancement Award as awarded by the Court. The
4 Enhancement Award will be made by sending to PAGA Class Counsel a check payable to "JORGE
5 NAVARRETE" in the amount of the Court-approved Enhancement Award. Such payment is
6 conditional upon PAGA Class Counsel providing Defendant's counsel with a completed Form W-
7 9 for the Representative Plaintiff.

8 b. On the Payment Date, the Settlement Administrator will pay from the Gross
9 Settlement Fund to PAGA Class Counsel its Court-approved Attorneys' Fees and Costs. Such
10 payment is conditional upon PAGA Class Counsel providing the Settlement Administrator with
11 completed Forms W-9. The Court-approved PAGA Class Counsel's Attorneys' Fees and Costs will
12 be split equally between the Koul Law Firm and the Law Offices of Sahag Majarian II.

13 c. On the Payment date, the Settlement Administrator will pay to the LWDA
14 an amount equal to 75% of the Net Penalties Fund by check made payable to the "California
15 Labor Workforce and Development Agency".

16 27. **Deadlines.**

17 If any deadline specified in this Agreement falls on a Saturday, Sunday, or Court holiday,
18 the deadline will be automatically extended to the next regular business day. Unless specified
19 otherwise, all references to "days" shall mean calendar days.

20 28. **Enforcement and Continuing Jurisdiction of the Court.**

21 Pursuant to the Parties agreement, this Settlement Agreement will be approved by the Court
22 and will be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6.
23 Even after the entry of the Final Order and Judgment, the Court will have and retain continuing
24 jurisdiction over the action and over all Parties and the Aggrieved Employees, to the fullest extent
25 necessary or convenient to enforce and effectuate the terms and intent of this Settlement Agreement
26 and all matters provided for in it, and to interpret it.

1 29. **Mutual Full Cooperation.**

2 The Parties will fully cooperate with each other to accomplish the terms of this Settlement
3 Agreement, including, but not limited to, execution of such documents and taking such other action
4 as may be reasonably necessary or convenient to implement it.

5 30. **No Admissions.**

6 Defendant denies liability for any claims alleged by Plaintiff on his own behalf or on
7 behalf of the State of California and any of its agencies, including but not limited to the
8 Department of Industrial Relations, Division of Labor Standards Enforcement, and Labor
9 Workforce and Development Agency, and the Aggrieved Employees upon any claim or cause of
10 action. This Agreement does not constitute, and is not intended to constitute, an admission by
11 Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against it
12 in the Action.

13 Nothing in this Agreement, nor any action taken in implementation thereof, nor any
14 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
15 during the course of the negotiations leading to this Agreement, is intended by the Parties to
16 constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any
17 way in this case or any other judicial, arbitral, administrative, investigative or other forum or
18 proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
19 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
20 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case
21 or any other judicial, arbitral, administrative, investigative or other forum or proceeding, as
22 purported evidence of any violation of any federal, state, or local law, statute, ordinance,
23 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
24 purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before
25 the Court that has as its purpose the interpretation, implementation, or enforcement of this
26 Agreement or any orders or judgments of the Court entered in connection with the Agreement.

27 None of the documents produced or created by Representative Plaintiff or the Aggrieved
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1 Employees in connection with the claims procedures or claims resolution procedures constitute, and
2 they are not intended to constitute, an admission by Defendant of any violation of any federal, state,
3 or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law
4 or in equity.

5 31. **Effective Date of Defendants' Obligations Under This Agreement.**

6 Defendant's obligations under this Settlement Agreement will become final and effective
7 only upon the occurrence of the Effective Date. In the event that any of the conditions specified in
8 this Settlement Agreement are not satisfied, or in the event that this Settlement does not obtain
9 approval of by the court for any reason, all matters covered by this Agreement will be null and void.
10 In such event, neither this Agreement nor any negotiations leading to this Settlement will be used
11 or construed by or against any Party as a determination, admission, or concession of any issue of
12 law or fact in the litigation; and the Parties do not waive, and instead expressly reserve, their
13 respective rights regarding the prosecution and defense of the Navarrete Action, including all
14 available defenses and affirmative defenses, and to challenge any claim, as if this Settlement
15 Agreement never existed.

16 32. **Nullification.**

17 If the Court should for any reason refuse to approve the payment of PAGA penalties as
18 described in this Agreement, then (a) this Agreement shall be considered null and void, (b) neither
19 this Agreement nor any of the related negotiations or proceedings shall be of any force or effect,
20 and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the
21 Agreement had been neither entered into nor filed with the Court.

22 If the Court does not approve the payment of PAGA penalties as described in this
23 Agreement, the Parties agree to meet and confer to address the Court's concerns. If the Parties are
24 unable to agree on a resolution, the Parties agree to seek the assistance of mediator Marc Feder to
25 resolve any disputes.

26 33. **Invalidation.**

27 Invalidation of any material term of this Settlement Agreement will invalidate this
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1 Agreement in its entirety unless the Parties subsequently agree in writing that the remaining
2 provisions will remain in full force and effect.

3 34. **Non-Evidentiary Use.**

4 Neither this Agreement nor any of its terms shall be offered or used as evidence by any of
5 the Parties, or their respective counsel in the Navarrete Action or in any other action or
6 proceeding; provided, however, this shall not prevent this Agreement from being used, offered, or
7 received in evidence in any proceeding to enforce, construe, or finalize this Agreement and to
8 secure its approval by the Court.

9 35. **Publicity.**

10 Representative Plaintiff and PAGA Class Counsel agree that they have not and will not
11 publish this Agreement or its terms with the media. In response to any inquiries Representative
12 Plaintiff will state that "the case was resolved, and it was resolved confidentially." PAGA CLASS
13 Counsel shall not report the this Agreement or its terms in any medium or in any publication, shall
14 not post or report anything regarding the claims of Representative Plaintiff or the Aggrieved
15 Employees on their website, and shall not contact any reporters or media regarding this Agreement
16 or its terms. However, PAGA Class Counsel is authorized to make a limited disclosure to the Court
17 and the LWDA for the purposes of obtaining approval of the settlement. This disclosure is limited
18 to court filings and neither Representative Plaintiff nor PAGA Class Counsel or representatives are
19 permitted to disseminate or publish, distribute or discuss the information provided to the Court in
20 those filings outside the filings themselves and any hearing held on those filings, unless ordered
21 otherwise by the Court. Notwithstanding the foregoing, PAGA Class Counsel shall be allowed to
22 disclose the terms of this Settlement in future declarations in support of PAGA Class Counsel's
23 adequacy of counsel..

24 36. **Entire Agreement.**

25 This Settlement Agreement constitutes the entire integrated agreement between the Parties
26 relating to the Navarrete Action, and no oral representations, warranties, or inducements have been
27 made to any party concerning this Settlement Agreement other than the representations, warranties,
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and covenants contained and memorialized in this Settlement Agreement.

37. **Authorization to Act.**

PAGA Class Counsel warrant and represent that they are authorized by their Representative Plaintiff, and counsel of record for Defendant warrants that they are authorized by Defendant to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement, except for any documents, including but not limited to this Settlement Agreement, that are required to be executed by the Parties.

38. **Modification Only in Writing.**

This Settlement Agreement may be amended or modified only by a written instrument signed by all Parties or their successors in interest. After the entry of the Final Order and Judgment, the parties may by written agreement effect such amendments, modifications or expansions of this Agreement without further notice to the LWDA or Aggrieved Employees and without notice to or the approval by the Court if such changes are consistent with the Court's Final Order and Judgment and do not materially alter any rights hereunder.

39. Binding on Successors.

This Settlement Agreement is binding upon and will inure to the benefit of the Parties to this Agreement, as well as their respective attorneys, past, present, and future predecessors, successors, members, shareholders, officers, directors, employees, agents, trustees, representatives, attorneys, administrators, fiduciaries, assigns, insurers, executors, partners, parent corporations, subsidiaries, and related or affiliated entities.

40. **No Prior Assignments.**

The Aggrieved Employees are deemed by operation of the Final Order and Judgment to 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, cause of action, or rights released and discharged by this Agreement.

1 41. **Governing Law.**

2 All terms of this Settlement Agreement will be governed by and interpreted according to the
3 laws of the State of California, without giving effect to conflicts of laws principles.

4 42. **Counterparts.**

5 This Settlement Agreement may be executed in one or more counterparts. All executed
6 counterparts and each of them will be deemed to be one and the same instrument. Counsel for the
7 Parties will exchange among themselves signed counterparts.

8 43. **Headings for Convenience Only.**

9 The descriptive headings of any paragraphs or sections of this Settlement Agreement are
10 inserted for convenience of reference only and do not constitute a part of this Settlement Agreement.

11 44. **Construction of This Agreement.**

12 The Parties agree that the terms and conditions of this Settlement Agreement are the result
13 of arms-length negotiations between the Parties and that this Settlement Agreement will not be
14 construed in favor of or against any Party by reason of the extent to which any Party, or his or its
15 counsel participated in the drafting of this Agreement. This Settlement Agreement constitutes the
16 entire agreement between the Parties. Except as expressly provided in this Agreement, this
17 Settlement Agreement has not been executed in reliance upon any other oral or written
18 representations or terms and no such extrinsic oral or written representations or terms will modify,
19 vary or contradict the terms of this Settlement Agreement. In entering this Settlement Agreement,
20 the Parties explicitly recognize California Civil Code section 1625 and California Code of Civil
21 Procedure section 1856(a), which provide that a written agreement is to be construed according to
22 its terms and may not be varied or contradicted by extrinsic evidence. The Representative Plaintiff
23 and Defendant had available to them the advice and assistance of independent counsel. As such,
24 neither Representative Plaintiff nor Defendant may claim that any ambiguity in this Settlement
25 Agreement should be construed against the other.

26 45. **Corporate Signatories.**

27 Any person executing this Settlement Agreement or any related document on behalf of a
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1 corporate signatory warrants and promises for the benefit of all Parties that such person has been
2 duly authorized by such corporation to execute this Settlement Agreement or any related document.

3 46. **Representation by Counsel.**

4 All of the Parties hereto acknowledge that they have been represented by counsel throughout
5 all negotiations which preceded the execution of this Settlement Agreement and that this Agreement
6 has been executed with the consent and advice of counsel.

7 47. **Attorneys' Fees and Costs.**

8 Except as otherwise provided in this Agreement, the Parties will bear responsibility for their
9 own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of this Action
10 and will not seek reimbursement thereof from any Party to this Settlement Agreement. In the event
11 of a proven breach of this Agreement, the breaching party will be required to pay the prevailing
12 Party's reasonable attorneys' fees and costs incurred in enforcing this Agreement.

13 **IT IS SO AGREED:**

14 Dated: 1/12/2022, 2022

DocuSigned by:

JORGE NAVARRETE

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18 Dated: Jan. 12, 2022


SHOTTENKIRK-CALIFORNIA, LLC, DBA
SHOTTENKIRK DESERT LEXUS

21 BY: Kim Glasgow

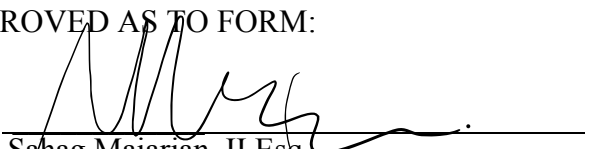
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Dated: January 12, 2022

APPROVED AS TO FORM:

By:


Sahag Majarian, II Esq.
LAW OFFICES OF SAHAG MAJARIAN, II
Attorneys for Plaintiff JORGE NAVARRETE, as
an individuals, on behalf of himself and all aggrieved
employees

Dated: January 12, 2022

APPROVED AS TO FORM:

By:

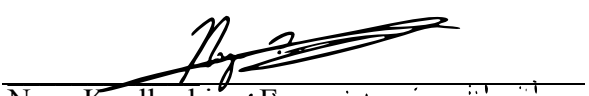

Nazo Koulloukian, Esq.
KOUL LAW FIRM
Attorneys for Plaintiff JORGE NAVARRETE, as
an individuals, on behalf of himself and all aggrieved
employees

Exhibit A

[Date], 202__

[Settlement Administrator Name]
[Settlement Administrator Address]

[Employee Name]
[Employee Street Address]
[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former SHOTTENKIRK-CALIFORNIA, LLC, dba SHOTTENKIRK DESERT LEXUS Employee:

You have received this notice because SHOTTENKIRK-CALIFORNIA, LLC, dba SHOTTENKIRK DESERT LEXUS (“Employer”) records indicate that you work or have worked for Employer in California at some time between March 28, 2019 through [the Final Order and Judgment Date]. This notice relates to the settlement of a lawsuit titled *JORGE NAVARRETE v. SHOTTENKIRK-CALIFORNIA, LLC, DBA SHOTTENKIRK DESERT LEXUS*, Case No. PSC2002783, Riverside County Superior Court, Palm Springs Courthouse (the “Lawsuit”).

In the Lawsuit, Plaintiff Jorge Navarrete (“Plaintiff”) seeks civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows a Plaintiff to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiff claims were “aggrieved” by alleged wage and hour violations on the part of Employer.

Employer strongly disputes Plaintiff’s allegations and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit, there has been no finding of liability on the part of the Employer, and Employer does not admit liability on any of the factual or legal allegations made in the Lawsuit. Employer has agreed to settle the Lawsuit solely for economic efficiency. This settlement has been approved by the Court.

The enclosed settlement check represents your portion of the Court-approved PAGA settlement. You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be transmitted to the state controller unclaimed payment fund in your name.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuits.

If you have any questions about this notice, please contact the Settlement Administrator, [NAME] at <<number/email>>.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.

Exhibit B

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE, PALM SPRINGS COURTHOUSE

JORGE NAVARRETE, an individual, on
behalf of himself, all aggrieved employees, and
the State of California as a Private Attorneys
General,

Plaintiffs,

vs.

SHOTTENKIRK-CALIFORNIA, LLC, dba
SHOTTENKIRK DESERT LEXUS, a
California limited liability company, and DOES
1-50, inclusive,

Defendant.

Case No. PSC2002783

**[PROPOSED] ORDER GRANTING
APPROVAL OF PAGA SETTLEMENT
AND ENTERING JUDGMENT**

[PROPOSED] ORDER AND JUDGMENT

The Court has received and considered the Stipulation and Agreement for PAGA Representative Action Settlement (“Settlement Agreement”) entered into between Plaintiff JORGE NAVARRETE, an individual, on behalf of the State of California as a private attorney general under the California Labor Code Private Attorneys General Act (“PAGA”), and the Defendant SHOTTENKIRK-CALIFORNIA, LLC, DBA SHOTTENKIRK DESERT LEXUS.

Having received and considered the Stipulation and Agreement and the supporting papers filed, the Court grants approval of the PAGA Settlement and HEREBY ORDERS AND MAKES

1 THE FOLLOWING DETERMINATIONS:

2 1. Except as otherwise defined in this Final Order and Judgment (“Order”), all
3 capitalized terms have the same meaning as defined in the Settlement Agreement that is attached as
4 Exhibit 1 to this Order.

5 2. The California Labor Workforce and Development Agency (“LWDA”) has been
6 provided notice of the Settlement in accordance with PAGA, California Labor Code § 2699(1)(2),
7 (1)(4). In particular, on the date Plaintiff filed the stipulation seeking approval of the Settlement
8 with the Court, Plaintiff submitted to the LWDA a notice of the Settlement enclosing a copy of the
9 Settlement Agreement. Plaintiff’s notice of the Settlement to the LWDA complied with the notice
10 requirements of PAGA.

11 3. The Court confirms approval of the Settlement as to the Aggrieved Employees.

12 4. The Court has jurisdiction over the subject matter of this litigation, over all
13 Aggrieved Employees, and over those persons undertaking affirmative obligations under the
14 Settlement.

15 5. The Settlement is approved under Labor Code § 2699(1)(2).

16 6. The PAGA Settlement Notice to Aggrieved Employees, attached as Exhibit 2 to this
17 Order, fairly and adequately describes the Navarrete Action, the approved Settlement, and is the
18 best notice practicable under the circumstances.

19 7. The Court finds that each Aggrieved Employee and Representative Plaintiff, release
20 all Released Claims against the Released Parties, in accordance with the Settlement

21 8. The Gross Settlement Amount and the methodology used to calculate the Individual
22 Penalty Payments in accordance with the Settlement is approved.

23 9. The Court approves CPT GROUP, INC. to act as the Settlement Administrator. The
24 Court awards the Settlement Administrator in this Action its actual fees and costs in accordance
25 with the terms of the Settlement Agreement, not to exceed \$4,100.

26 10. The Court approves the Koul Law Firm and the Law Offices of Sahag Majarian II as
27 PAGA Class Counsel.

1 11. The Court awards PAGA Class Counsel attorneys' fees in the amount of \$66,660
2 and actual litigation costs not to exceed \$8,000, both of which the Court finds to be fair and
3 reasonable. The Court authorizes the Settlement Administrator to make these payments, in
4 accordance with the terms of the Settlement Agreement.

5 12. The Court authorizes the Settlement Administrator to calculate and pay the
6 Individual Penalty Payments in accordance with the terms of the Settlement Agreement.

7 13. The Court finds that LWDA Payment of \$89,055 as its share of the settlement of
8 civil penalties is fair and reasonable. The Court authorizes the Settlement Administrator to pay the
9 LWDA Payment, in accordance with the terms of the Settlement Agreement.

10 14. The Court finds the Representative Plaintiff's Enhancement Award in the sum of
11 \$2,500.00 is fair and reasonable. The Court authorizes the Settlement Administrator to pay the
12 Representative Plaintiff's Enhancement Awards, in accordance with the terms of the Settlement
13 Agreement.

14 15. Checks for Individual Penalty Payments sent to Aggrieved Employees shall be valid
15 for 180 days after issuance. Funds remaining from any checks for Individual Penalty Payments
16 uncashed after 180 days will be dispersed to the state controller unpaid payment fund in the name
17 of the Aggrieved Employee.

18 16. Upon completion of the Settlement, the Settlement Administrator will provide
19 written certification of the completion to the Court and counsel for the Parties which shall be filed
20 with the Court within 30 days after completion of the Settlement.

21 17. Without affecting the finality of this order and entry of judgment, the Court retains
22 exclusive and continuing jurisdiction over this Action for purposes of supervising, administering,
23 implementing, and enforcement of this Order and the Settlement.

24 18. Nothing in this Order or the Settlement shall be construed as an admission or
25 concession by any party. The Settlement and this resulting Order and entry of judgement simply
26 represent a compromise of disputed allegations.

27 19. The Court enters final judgment in accordance with the terms of the Settlement
28

1 Agreement and this Order.

2 20. Plaintiff is directed to submit a copy of this Order and entry of judgment to the
3 LWDA within 10 days of the date of this Order and entry of judgment.

4 **IT IS SO ORDERED:**

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6 DATED: _____

Judge of the Superior Court

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