

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiffs Rosalie Wayman, Riham Megally, and Sultan Ahmad (“Plaintiffs”), acting in a private attorney general capacity, and Defendants Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine); Joe MacPherson Ford, dba AutoNation Ford Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa (collectively “Defendants”). (Plaintiffs and Defendants are collectively referred to as the “Parties”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter titled *Rosalie Wayman v. Terry York Motor Cars, LTD., et al.*, Los Angeles Superior Court, Case No. 20STCV22528, and as set forth in Plaintiffs’ correspondence to the California Labor and Workforce Development Agency (“LWDA Letters”) dated April 8, 2020, November 30, 2020, September 1, 2021, and April 27, 2022.

2. “Aggrieved Employees” consist of all current and former non-exempt employees who worked for Defendants in California at any time during the PAGA Period. The number of Aggrieved Employees, including Plaintiffs, is estimated to be approximately 6,366 individuals.

3. “Defendants” means Defendants Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine; Joe MacPherson Ford, dba AutoNation Ford Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa.

4. “Settlement Administrator” means Phoenix Settlement Administrators.

5. “Complaint” means the operative complaint in the Action, which is the First Amended Representative Action Complaint.

6. “Court” means the Superior Court of California for the County of Los Angeles.

7. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.

8. “LWDA” means the California Labor and Workforce Development Agency.

9. “Gross Settlement Amount” is the non-reversionary sum of One Million Two Hundred Nine Thousand Two Hundred Seventy-Four Dollars and Zero Cents (\$1,209,274.00), which represents the total amount payable under this Settlement Agreement by Defendants (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiffs’ attorneys’ fees and costs, payment of Plaintiffs’ enhancement payments, and payment to the Settlement Administrator for administration costs.

10. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiffs’ attorneys’ fees up to one third of the Gross Settlement Amount; (b) Plaintiffs’ litigation costs up to \$35,000.00; (c) Plaintiffs’ enhancement payments up to \$5,000.00 each, for a total of \$15,000.00; and (d) settlement administration costs up to \$21,950.00.

11. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. “PAGA Period” means the time period from November 15, 2019 through June 30, 2022.

13. “PAGA Released Claims” mean all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.2, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, and claims for attorneys’ fees, costs, or interest resulting therefrom. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

14. “Parties” means, collectively, Plaintiffs and Defendants.

15. “Plaintiffs’ Counsel” means Paul K. Haines, Sean M. Blakely, and Neil Larsen of Haines Law Group, APC, and James R. Hawkins of James Hawkins APLC.

16. “Released Parties” means Defendants and their former, present and future owners, parents, and subsidiaries, and all of their current, former and future officers, directors, members, managers, partners, shareholders, joint venturers, successors, assigns, accountants, insurers, or legal representatives.

II. RECITALS

1. Plaintiffs performed work for Defendants as non-exempt employees in California during the PAGA Period and are therefore Aggrieved Employees.

2. On April 8, 2020, November 30, 2020, September 1, 2021, and April 27, 2022, Plaintiffs provided written notice to the LWDA and Defendants asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and their intent to file a civil lawsuit under the PAGA.

3. On June 15, 2020, Plaintiff Wayman filed a representative action complaint titled *Rosalie Wayman v. Terry York Motor Cars, LTD, et al.*, Los Angeles Superior Court, Case No. 20STCV22528, asserting a cause of action for civil penalties under the PAGA.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or an admission by Defendants of any liability or wrongdoing as to Plaintiffs, the Aggrieved Employees or any other person. Defendants specifically disclaim and deny any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendants shall pay One Million Two Hundred Nine Thousand Two Hundred Seventy-Four Dollars and Zero Cents (\$1,209,274.00) as the non-reversionary Gross Settlement Amount. Defendants will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Defendants shall deposit the Gross Settlement Amount into a Qualified Settlement Account and agrees to fund the settlement within fifteen (15) days of the Court's Order approving the PAGA settlement.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiffs' attorneys fees and litigation costs; (3) Plaintiffs' enhancement payments; and (4) Settlement administration costs.

3. **Escalator Clause.** Defendants represents that there are approximately 219,868 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 10% greater than this number (i.e., if there are more than 241,855 Affected Pay Periods), Defendants shall increase the GSA in proportion to the increase in Affected Pay Periods beyond 10% (e.g., if the number of Affected Pay Periods is 12% greater than 219,868, Defendants shall increase the GSA by 2%).

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. Plaintiffs' Attorneys' Fees and Costs. Defendants will not oppose Plaintiffs' request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$403,091.33) and costs up to \$35,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiffs may appeal an order granting less than the full amount sought for attorneys' fees and costs). Defendants, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiffs' Counsel.

b. Plaintiffs' Enhancement Payments. Defendants will not oppose Plaintiffs' request for an enhancement payment of up to \$5,000.00 each, for a total of \$15,000.00, for serving as the representative plaintiffs in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiffs may appeal an order granting less than the full amount sought for Plaintiffs' enhancement payments). Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiffs.

c. Administration Costs. Defendants will not oppose the Settlement Administrator's costs in the amount up to \$21,950.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Plaintiffs agree that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiffs and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiffs and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. Covenants and Representations by Plaintiffs and Plaintiffs' Counsel.

a. Plaintiffs represent and warrant that they have not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiffs acknowledge that they have read this Settlement Agreement, that they fully understand their rights, privileges and duties under the Settlement Agreement, and enter

into this Settlement Agreement freely and voluntarily. Plaintiffs further acknowledge that they have had the opportunity to consult with their attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiffs and Plaintiffs' Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiffs nor Plaintiffs' Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiffs' counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiffs' Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

9. **Motion for Approval of PAGA Settlement by Plaintiffs' Counsel.** Plaintiffs' Counsel shall be responsible for promptly preparing and filing the Motion for Approval of the PAGA Settlement.

10. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

11. **Judgment.** As part of the Motion to approve the Settlement, Plaintiffs shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiffs and the Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to engage Phoenix Settlement Administrators to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within ten (10) business days after entry of an order approving the settlement, Defendants shall provide the Settlement

Administrator with information for Aggrieved Employees. Defendants will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of pay periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendants' records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within seven (7) calendar days of receiving the Aggrieved Employees' information from Defendants, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiffs' Counsel and Defendants' counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiffs' Counsel for Plaintiffs' Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiffs for the Court-approved enhancement payments and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Defendants pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiffs nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. **MISCELLANEOUS PROVISIONS**

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the settlement as provided herein; or (ii) the settlement does not become final for any

other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction.** As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and 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. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the mediator (Marc Feder) or the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

12. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

13. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the

maximum enforceability or validation of the term or provision.

14. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

17. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

18. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: May 13, 2022, 2022



Rosalie Wayman (May 13, 2022 15:06 PDT)
Rosalie Wayman, Plaintiff

Dated: _____, 2022

Riham Megally, Plaintiff

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IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: _____, 2022

Rosalie Wayman, Plaintiff

Dated: May 12, 2022, 2022

riham megally (May 12, 2022 12:51 PDT)
Riham Megally, Plaintiff

Dated: 5/13/2022, 2022

DocuSigned by:

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Sultan Ahmad, Plaintiff

Allison Bavarian

Dated: _____, 2022

By: Peiman Roshan
Its: Authorized Agent

AN Fremont Luxury Imports, Inc.

Dated: _____, 2022

By: Gretchen Sprenger
Its: Authorized Agent

AN CJ Valencia, Inc.

Dated: _____, 2022

By: Tom Mila
Its: Authorized Agent

AN Imports of Stevens Creek, Inc.

Dated: _____, 2022

By: Casey Cutts
Its: Authorized Agent

AN Luxury Imports of San Diego, Inc.

Dated: _____, 2022

By: Darrin Fetterolf
Its: Authorized Agent

AN San Jose Luxury Imports, Inc.

Dated: _____, 2022

By: Kevin Sitch
Its: Authorized Agent

Dated: _____, 2022

Sultan Ahmad, Plaintiff

Allison Bavarian

Dated: 5/4/2022, 2022

DocuSigned by:

P.J. Roshan

By: P.J. Roshan

Its: Authorized Agent

AN Fremont Luxury Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Gretchen Sprenger

By: Gretchen Sprenger

Its: Authorized Agent

AN CJ Valencia, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

AN Imports of Stevens Creek, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Casey Cutts

By: Casey Cutts

Its: Authorized Agent

AN Luxury Imports of San Diego, Inc.

Dated: 5/17/2022, 2022

DocuSigned by:

Darrin Fetterolf

By: Darrin Fetterolf

Its: Authorized Agent

AN San Jose Luxury Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Kevin Sitch

By: Kevin Sitch

Its: Authorized Agent

AN Valencia Auto Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Auto Car, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Gary Pistoichini

By: Gary Pistoichini

Its: Authorized Agent

Auto Company XIX, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Dan Comouche

By: Dan Comouche

Its: Authorized Agent

Auto Company XXII, Inc.

Dated: 5/25/2022, 2022

DocuSigned by:

Robert Stuban

By: Robert Stuban

Its: Authorized Agent

Auto Company XXIII, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

James Garwick

By: James Garwick

Its: Authorized Agent

Auto Mission Ltd.

Dated: 5/4/2022, 2022

DocuSigned by:

Frankie Huey

By: Frankie Huey

Its: Authorized Agent

Auto West, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Bargain Rent-A-Car

Dated: 5/11/2022, 2022

DocuSigned by:

Brian Walker

By: Brian Walker

Its: Authorized Agent

Buena Park Luxury Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Kevin Oliff

By: Kevin Oliff

Its: Authorized Agent

Beach City Chevrolet Company, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Carwell, LLC.

Dated: 5/4/2022, 2022

DocuSigned by:

Dennis Turner

By: Dan Turner

Its: Authorized Agent

Costa Mesa Cars, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Erwin Artacho

By: Erwin Artacho

Its: Authorized Agent

Edgren Motor Company, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:



By: Brian Tam

Its: Authorized Agent

Fit Kit, Inc.

Dated: 5/10/2022, 2022

DocuSigned by:



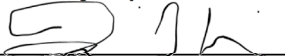
By: Juan Guzman

Its: Authorized Agent

House of Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:



By: David Kim

Its: Authorized Agent

Irvine Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:



By: Mark Mehta

Its: Authorized Agent

Joe MacPherson Ford

Dated: 5/4/2022, 2022

DocuSigned by:



By: Scott Clement

Its: Authorized Agent

Joe MacPherson Infiniti

Dated: 5/4/2022, 2022

DocuSigned by:



By: Alder Ortiz

Its: Authorized Agent

Magic Acquisition Corp.

Dated: 5/4/2022, 2022

DocuSigned by:



By: B6A44FA11A0B4A3
Polo Lopez

Its: Authorized Agent

Mr. Wheels, Inc.

Dated: 5/9/2022, 2022

DocuSigned by:



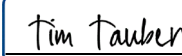
By: 879B375BADF84501
Kevin Naderi

Its: Authorized Agent

Newport Beach Cars, LLC.

Dated: 5/10/2022, 2022

DocuSigned by:



By: CEA83E53A886498
Tim Tauber

Its: Authorized Agent

Peyton Cramer Automotive

Dated: 5/4/2022, 2022

DocuSigned by:



By: C0EFC0B8EEF419
Mitchell Merten

Its: Authorized Agent

Peyton Cramer Ford

Dated: 5/9/2022, 2022

DocuSigned by:



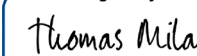
By: 9A3EF6540245477
Christopher Hong

Its: Authorized Agent

Peyton Cramer Infiniti .

Dated: 5/5/2022, 2022

DocuSigned by:



By: Q5DBF87A8DD8401
Tom Mila

Its: Authorized Agent

Peyton Cramer Jaguar

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Prime Auto Resources, Inc.

Dated: 5/10/2022, 2022

DocuSigned by:

Raul Diaz

By: Raul Diaz

Its: Authorized Agent

Roseville Motor Corporation

Dated: 5/9/2022, 2022

DocuSigned by:

James Rentschler

By: James Rentschler

Its: Authorized Agent

Shamrock Ford, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Stevens Creek Luxury Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Kevin Sitch

By: Kevin Sitch

Its: Authorized Agent

Stevens Creek Motors, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Terry York Motors Cars, Ltd.

Dated: 5/4/2022, 2022

DocuSigned by:

Sara Ziegenhagen

By: Sara Ziegenhagen

Its: Authorized Agent

Valencia B. Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Niko Karvunidis

By: Niko Karvunidis

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Vanderbeek Motors, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

GLEVSKI, JASON

By: ^{8C3D1DB4A7164A3} Jason Gilevski

Its: Authorized Agent

Valencia Dodge

Dated: 5/5/2022, 2022

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Thomas Milla

By: ^{05DBFB7A8DD84C1} Tom Milla

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Vince Wiese Chevrolet, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Charles Coia

By: ^{1EC4DAB6A5BD4A6} Charles Coia

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Vanderbeek Olds/GMC Truck, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Charles Coia

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Its: Authorized Agent

VistaCal Luxury Imports, Inc.

Dated: 5/17/2022, 2022

DocuSigned by:

Darrin Fetterolf

By: ^{293FFB60A8D9417} Dan Fetterolf Darrin Fetterolf

Its: Authorized Agent

Prime Auto Cosmetics, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Alberto Reyes

By: ^{4B2AC790D5144F3} Alberto Reyes

Its: Authorized Agent

Prime Auto Resources, Inc.

Dated: 5/10/2022, 2022

DocuSigned by:

Raul Diaz

By: Raul Diaz

Its: Authorized Agent

APPROVED AS TO FORM:

Dated: _____, 2022

HAINES LAW GROUP, APC

By: _____

Paul K. Haines

Sean M. Blakely

Attorneys for Plaintiffs

Dated: _____, 2022

JAMES HAWKINS APLC

By: _____

James R. Hawkins

Attorneys for Plaintiffs

Dated: 5/5/2022, 2022

FISHER & PHILLIPS LLP

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By: Christopher Hoffman

Christopher C. Hoffman

Attorneys for Defendants

Prime Auto Resources, Inc.

Dated: _____, 2022

By: _____
Its: Authorized Agent

APPROVED AS TO FORM:

Dated: May 17, 2022

HAINES LAW GROUP, APC

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Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

Dated: _____, 2022

JAMES HAWKINS APLC

By: _____
James R. Hawkins
Attorneys for Plaintiffs

Dated: _____, 2022

FISHER & PHILLIPS LLP

By: _____
Christopher C. Hoffman
Attorneys for Defendants

Prime Auto Resources, Inc.

Dated: _____, 2022

By: _____
Raul Diaz
Authorized Agent

APPROVED AS TO FORM:

Dated: _____, 2022

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

Dated: May 13, 2022

JAMES HAWKINS APLC

By:  _____
James R. Hawkins
Attorneys for Plaintiffs

Dated: _____, 2022

FISHER & PHILLIPS LLP

By: _____
Christopher C. Hoffman
Attorneys for Defendants

EXHIBIT A

**Re: Payment from Rosalie Wayman, et al. v. Terry York Motor Cars Ltd., et al.
Superior Court of California Los Angeles County; Case No. 20STCV22528**

Date: [REDACTED]/[REDACTED]/2022

SIMID
Name
Address

Dear **Name:**

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Rosalie Wayman, et al. v. Terry York Motor Cars, Ltd., et al.*, Los Angeles Superior Court, Case No. 20STCV22528, pending in the Superior Court of the State of California for the County of Los Angeles (the “Action”).

The Action was filed against Defendants Terry York Motor Cars, Ltd; Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine); Joe MacPherson Ford, dba AutoNation Ford Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa (collectively “Defendants”), and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Plaintiffs Rosalie Wayman, Riham Megally, and Sultan Ahmad (“Plaintiffs”) on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Questions? Call toll-free () -

In the lawsuit, Plaintiffs claimed that Defendants violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide meal or rest breaks, failing to provide one day's rest in seven days worked, failing to reimburse necessary business expenses, failing to timely pay final wages, failing to maintain accurate records, failing to provide employees' records, making unlawful deductions from employees' earned wages, withholding employees' wage, in part or in whole, failing to provide employees with written notice inclusive of all information required by Labor Code section 2810.5, failing to accurately calculate employees' sick pay hours, failing to pay employees' earned vacation wages upon separation of employment, and failing to provide employees with itemized wage statements. Defendants vehemently disputes all of Plaintiffs' allegations and denies that it engaged in any of the alleged misconduct. The Parties have reached a settlement of Plaintiffs' representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendants who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Defendants do not admit that they are liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and have denied and disputed all of Plaintiffs' contentions. The Court has not decided the merits of Plaintiffs' claims or Defendants' defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Defendants, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.2, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, and claims for attorneys' fees, costs, or interest resulting therefrom, during the time period of November 15, 2019 through June 30, 2022 (the "PAGA Period").

If you have any questions, you can contact [REDACTED], the Settlement Administrator, at 1-[REDACTED]-[REDACTED].