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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

REX TULLIO, individually, and on behalf of
other members of the general public similarly
situated and on behalf of other aggrieved
employees pursuant to the California Private
Attorneys General Act;

Plaintiff,

vs.

DACM INC. dba DEL AMO
MOTORSPORTS, a California corporation;
TOO FAST, INC., a California corporation;
CALIFORNIA MOTORCYCLE
ASSESSORIES, INC., a California
corporation; DASB, INC., a California
corporation; DAMLA, INC., a California
corporation; and DOES 5 through 100,
inclusive,

Defendants

Case No.: 30-2020-01147256-CU-OE-CXC

Honorable William Claster
Department CX104

CLASS ACTION

**DECLARATION OF EDWIN AIWAZIAN
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

[Plaintiff's Motion for Preliminary Approval of
Class Action Settlement; Declaration of
Proposed Class Representative (Rex Tullio);
and [Proposed] Order filed concurrently
herewith]

Reservation No.: 73672810
Date: February 4, 2022
Time: 9:00 a.m.
Department: CX104

Complaint Filed: July 8, 2020
FAC Filed: October 6, 2021
Trial Date: None Set

DECLARATION OF EDWIN AIWAZIAN

I, Edwin Aiwarzian, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Rex Tullio. The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EDUCATION

2. In May of 2004, I graduated from *Pepperdine University School of Law* with a Juris Doctor degree. I have extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, I have previously served as a *pro bono* mediator for the Los Angeles Superior Court. In October of 2000, I obtained a Litigation Paralegal Certificate from the *UCLA Extension Program*. During the summer of 2000, I studied Legal Writing at *Harvard University*. In April of 1999, I obtained a Bachelor of Arts degree in Communication with a concentration in Natural Sciences from *Pepperdine University*.

JUDICIAL EXTERNSHIPS

3. From approximately September 2002 to approximately December 2002, I served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the *United States Court of Appeals for the Ninth Circuit*. From approximately June 2002 to approximately August 2002, I served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the *California Court of Appeal for the Second Appellate District*.

LITIGATION AND CLASS ACTION EXPERIENCE

4. In December of 2004, I obtained a license to practice law from the California State Bar. From approximately December 2004 to approximately August 2008, I was employed by the law firm of *Girardi & Keese*.

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1 5. At *Girardi & Keese*, my practice focused on class actions and other complex cases
2 involving toxic torts and products liability. In addition, I gained substantial experience on cases
3 involving insurance bad faith, premises liability, and medical negligence. While employed by
4 *Girardi & Keese*, I argued approximately 100 motions, took or defended approximately 150
5 depositions, and prepared dozens of expert witnesses for deposition or trial.

6 6. Since its inception, in or around October of 2008, *Lawyers for Justice, PC* has almost
7 exclusively focused on the prosecution of consumer and employment class actions, involving
8 wage-and-hour claims, race discrimination, unfair business practices or consumer fraud.
9 Currently, we are the attorneys of record in over a dozen employment-related putative class actions
10 in both state and federal courts in the State of California. Our firm has successfully litigated cases
11 involving the executive, administrative, and other overtime exemptions to the State of California
12 and federal overtime compensation requirements. During this relatively short time, in association
13 with other law firms, we have recovered millions of dollars on behalf of thousands of individuals
14 in California.

15 **EXAMPLES OF CLASS ACTION RESULTS**

16 7. What follows are just a few examples of the type of results we have achieved on
17 behalf of our clients:

18 a) Our firm, in association with other co-counsel, represented the plaintiffs in a
19 wage-and-hour class and representative action against a major property management company
20 involving allegations of misclassification of various “manager” positions. On September 20,
21 2010, the court granted final approval of the class and representative action settlement. The Los
22 Angeles County Superior Court Case Number is BC400414.

23 b) Our firm, in association with other co-counsel, represented the plaintiffs in a
24 wage-and-hour class action against a national retailer involving allegations of misclassification of
25 the “Assistant Store Manager” position. On October 28, 2010, the court granted final approval of
26 the class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

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1 c) Our firm, in association with other co-counsel, represented the plaintiffs in a
2 wage-and-hour class and representative action against a national property management company
3 involving allegations of misclassification of the “Property Manager” position. On May 23, 2012,
4 the court granted final approval of the class and representative action settlement. The Los Angeles
5 County Superior Court Case Number is BC430918.

6 d) Our firm, in association with other co-counsel, represented the plaintiffs in a
7 wage-and-hour class action against a national retailer involving allegations of misclassification of
8 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class
9 certification. On August 26, 2013, the court granted final approval of the class action settlement.
10 The Los Angeles County Superior Court Case Number is BC424012.

11 e) Our firm, in association with other co-counsel, represented the plaintiffs in a
12 wage-and-hour class and representative action against a bank, involving allegations of
13 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court
14 granted final approval of the class and representative action settlement. The Kern County Superior
15 Court Case Number is S-1500-CV-273194-LHB.

16 f) Our firm, in association with other co-counsel, represented the plaintiffs in a
17 wage-and-hour class and representative action against a national wholesale distributor of plumbing
18 and builder supplies, involving allegations of misclassification of multiple salaried “manager”
19 positions. On May 22, 2014, the court granted final approval of the class and representative action
20 settlement. The Sacramento County Superior Court Case Number is 34-2012-00136285.

21 g) Our firm, in association with other co-counsel, represented the plaintiffs in a
22 wage-and-hour class action involving allegations of misclassification of the “Operations Manager”
23 position. On September 16, 2014, the court granted plaintiffs’ motion for class certification. The
24 Los Angeles County Superior Court Case Number is BC478769.

25 h) Our firm, in association with other co-counsel, represented the plaintiffs in a
26 wage-and-hour class and representative action against a national retailer of household items, on
27 behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted final
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1 approval of the class and representative action settlement. The San Francisco County Superior
2 Court Case Number is CGC-13-532344.

3 i) Our firm, in association with other co-counsel, represented the plaintiffs in a
4 wage-and-hour class action involving allegations of misclassification of the salaried residential
5 “Property Manager” position. On September 17, 2015, the court granted plaintiffs’ motion for
6 class certification. The Los Angeles County Superior Court Case Number is BC474784.

7 j) Our firm, in association with other co-counsel, represented the plaintiffs in a
8 wage-and-hour class and representative action against a national retailer of upscale hardware and
9 home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court granted final
10 approval of the class and representative action settlement. The Los Angeles County Superior
11 Court Case Number is JCCP4794.

12 k) Our firm, in association with other co-counsel, represented the plaintiffs in a
13 wage-and-hour class and representative action against a national retailer of apparel and fashion
14 accessories, on behalf of non-exempt employees. On August 5, 2016, the court granted final
15 approval of the class and representative action settlement. The Los Angeles County Superior
16 Court Case Number is BC488069.

17 l) Our firm, in association with other co-counsel, represented the plaintiffs in a
18 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
19 involving allegations of misclassification of the “Department Manager” position. On August 12,
20 2016, the court granted plaintiffs’ motion for class certification in part and certified a class. The
21 Alameda County Superior Court Case Number is RG13680477.

22 m) Our firm represented the plaintiff in a representative action under the Private
23 Attorneys General Act, against a real estate and property management company, on behalf of non-
24 exempt employees. On November 4, 2016, the Court granted approval of the settlement. The
25 Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

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1 n) Our firm, in association with other co-counsel, represented the plaintiffs in a
2 wage-and-hour class action against a full-service bank, on behalf of non-exempt employees. On
3 November 18, 2016, the court granted final approval of the class action settlement. The San
4 Francisco County Superior Court Case Number is CJC-13-004839.

5 o) Our firm represented the plaintiffs in a wage-and-hour class and
6 representative action against a foodservice distributor, on behalf of non-exempt employees. On
7 January 26, 2017, the court granted final approval of the class and representative action settlement.
8 The San Bernardino County Superior Court Case Number is CIVDS1507260.

9 p) Our firm, on behalf of the plaintiff and respondent in a PAGA representative
10 action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the
11 employer's motion to compel arbitration, which resulted in a published opinion by the California
12 Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply*, 9
13 Cal.App.5th 439 (Cal. App. 4th Dist., Mar. 7, 2017), review denied, cert. denied (U.S. Supreme
14 Court Docket No. 17-254).

15 q) Our firm, in association with other co-counsel, represented the plaintiffs in a
16 wage-and-hour class and representative action against a consumer packaging company, on behalf
17 of non-exempt employees. On March 10, 2017, the court granted final approval of the class and
18 representative action settlement. The Los Angeles County Superior Court Case Number is
19 BC590429.

20 r) Our firm, in association with other co-counsel, represented the plaintiffs in a
21 wage-and-hour class action and representative action against a manufacturer of food service
22 industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final
23 approval of the class and representative action settlement. The Orange County Superior Court
24 Case Number is 30-2015-00810013-CU-OE-CXC.

25 s) Our firm represented the plaintiff in a wage-and-hour class and
26 representative action against a property management company, on behalf of non-exempt
27 employees. On June 14, 2017, the court granted final approval of the class and representative
28 action settlement. The Los Angeles County Superior Court Case Number is BC586234.

1 t) Our firm represented the plaintiffs in a wage-and-hour class action and
2 representative action against a food company on behalf of non-exempt employees. On June 30,
3 2017, the court granted final approval of the class and representative action settlement. The
4 Sacramento County Superior Court Case Number is 34-2015-00175871.

5 u) Our firm represented the plaintiffs in a wage-and-hour class action and
6 representative action against a chocolate company on behalf of non-exempt employees. On July
7 19, 2017, the court granted final approval of the class and representative action settlement. The
8 Alameda County Superior Court Case Number is RG15764300.

9 v) Our firm represented the plaintiffs in a wage-and-hour class action and
10 representative action against a manufacturer of plastic containers on behalf of non-exempt
11 employees. On October 31, 2017, the court granted final approval of the class and representative
12 action settlement. The Los Angeles County Superior Court Case Number is BC577233.

13 w) Our firm, in association with other co-counsel, represented the plaintiffs in a
14 wage-and-hour class and representative action against a bank on behalf of non-exempt employees.
15 On December 11, 2017, the court entered an order granting final approval of class and
16 representative action settlement. The Los Angeles County Superior Court Case Number is
17 BC569646.

18 x) Our firm, in association with other co-counsel, represented the plaintiffs in a
19 wage-and-hour class action and representative action against a property management company on
20 behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court entered an order
21 granting final approval of the class and representative action settlement. The Los Angeles County
22 Superior Court Case Number is JCCP 4819.

23 y) Our firm, in association with other co-counsel, represented the plaintiffs in a
24 wage-and-hour class action and representative action against a global provider of flexible office
25 space solutions. On February 15, 2018, the court entered an order granting final approval of the
26 class and representative action settlement. The Los Angeles County Superior Court Case Number
27 is BC498401.

1 z) Our firm, in association with other co-counsel, represented the plaintiff in a
2 wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees.
3 On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare
4 County Superior Court Case Number is VCU264528.

5 aa) Our firm represented the plaintiffs in a wage-and-hour class and
6 representative action against a behavioral health service provider on behalf of non-exempt
7 employees. On November 13, 2018, the court granted final approval of the class and
8 representative action settlement. The Alameda County Superior Court Case Number is
9 RG16811450.

10 bb) Our firm, in association with other co-counsel, represented the plaintiff in a
11 representative action under the Private Attorneys General Act, against a global provider of
12 products and services to the energy industry, on behalf of hourly-paid and non-exempt employees.
13 On November 19, 2018, the Court granted approval of the settlement. The Kern County Superior
14 Court Case Number is S-1500-CV-280215-SDC.

15 cc) Our firm represented the plaintiff in a wage-and-hour class action against a
16 parking company on behalf of non-exempt employees. On September 3, 2019, the court granted
17 the plaintiff's motion for class certification and certified a class. The Santa Clara County Superior
18 Court Case Number is 16CV292208 and the Judicial Council Coordination Proceeding Number is
19 JCCP 4886.

20 dd) Our firm, in association with other co-counsel, on behalf of the plaintiff and
21 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
22 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
23 notable decision from the California Supreme Court clarifying the law and finding, in part, that
24 employer arbitration agreements are unenforceable where they block a PAGA claim from
25 proceeding, *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019).

26 ee) Our firm represented the plaintiffs in a wage-and-hour class and
27 representative action against a bank on behalf of non-exempt employees. On September 27, 2019,
28 the court granted the plaintiffs' motion for class certification in part and certified a class. The

1 Alameda County Superior Court Case Number is RG15757606 and the Judicial Council
2 Coordination Proceeding Number is JCCP 4921.

3 ff) Our firm represented the plaintiffs in a wage-and-hour class and
4 representative action against a national retailer of apparel and fashion accessories, on behalf of
5 non-exempt employees. On October 9, 2019, the court granted the plaintiffs' motion for class
6 certification in part and certified a class. The Sacramento County Superior Court Case Number is
7 34-2015-00175330-CU-OE-GDS.

8 gg) Our firm represented the plaintiff in a wage-and-hour class and
9 representative action against a medical equipment supplier on behalf of non-exempt employees.
10 On February 13, 2020, the court granted the plaintiff's motion for class certification and certified
11 a class. The San Bernardino County Superior Court Case Number is CIVDS1505744.

12 hh) Our firm, in association with other co-counsel, represented the plaintiff in a
13 wage-and-hour class and PAGA representative action against a large national drug testing
14 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
15 plaintiff's motion for class certification and certified a class. The San Diego County Superior
16 Court Case Number is 37-2018-00019611-CU-OE-CTL.

17 ii) Our firm represented the plaintiffs in a wage-and-hour class and
18 representative action against a national retailer of sportswear, footwear, and camping equipment
19 on behalf of non-exempt employees. On March 16, 2020, the court granted in part the plaintiff's
20 motion for class certification and certified a class. The Riverside County Superior Court Case
21 Number is RICJCCP4930.

22 jj) Our firm represented the plaintiffs in a wage-and-hour class and PAGA
23 representative action against a plastic packaging company on behalf of non-exempt employees.
24 On June 8, 2020, the court granted in part the plaintiffs' motion for class certification and certified
25 a class. The San Bernardino County Superior Court Case Number is CIVDS1507361.

26 kk) Our firm, in association with other co-counsel, represented the plaintiffs in a
27 wage-and-hour class action against manufacturer and supplier of power products and services on
28 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion

1 for class certification and certified a class. The San Diego County Superior Court Case Number
2 is 37-2015-00025968-CU-OE-CTL.

3 **PRELIMINARY APPROVAL**

4 8. Marked and attached hereto as “**EXHIBIT A**” is the Joint Stipulation of Class
5 Action and PAGA Settlement and Release (“Settlement,” “Agreement,” or “Settlement
6 Agreement”) entered into by and between Plaintiff Rex Tullio (“Plaintiff”), individually and on
7 behalf of all others similarly situated and other aggrieved employees, on the one hand, and
8 Defendants DACM, Inc. dba Del Amo Motorsports, Too Fast, Inc., California Motorcycle
9 Assessories, Inc., DASB, Inc., and DAMLA, Inc. (together, “Defendants”), on the other hand
10 (collectively, the “Parties”). The Parties and their counsel have approved the proposed Notice of
11 Class Action Settlement (“Class Notice”), which is attached to the Settlement Agreement as
12 “Exhibit A” and respectfully request that the Court approve it as well.

13 9. Based on information provided by Defendants, as of January 3, 2022, the Class is
14 estimated to consist of approximately nine hundred eighty-nine (989) individuals.

15 10. The effectiveness of Lawyers for Justice, PC (“Class Counsel”) in prosecuting this
16 matter has translated into tangible monetary benefits for the Class Members in the following
17 respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting
18 additional years for the same, or possibly worse, result; (2) a guaranteed result that compares
19 favorably with other similar class action settlements of this type given the strengths and
20 weaknesses of the cases; and (3) significant savings in Class Counsel’s fees and/or costs that would
21 have only increased significantly had the case progressed through certification, trial, and/or
22 appeals.

23 11. Class Counsel has litigated the case for over two years since Plaintiff’s putative
24 wage-and-hour class action and representative PAGA action lawsuit, i.e., the above-captioned
25 action, was commenced on July 8, 2020, and was actively preparing the matter for class
26 certification and trial. The Parties have engaged in extensive settlement negotiations and
27 participated in a formal, full-day mediation on April 8, 2021, conducted by Hon. S. James Otero
28 (Ret.), a well-respected mediator experienced in mediating complex labor and employment

1 matters. Prior to and during the mediation and settlement discussions, the Parties exchanged class
2 information and engaged in an extensive discussion regarding their evaluations of the case and
3 various aspects of the case, including but not limited to, the risks and delays of further litigation,
4 the risks to the Parties of proceeding with class certification and/or representative adjudication,
5 the law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and
6 wage-and-hour enforcement, as well as the evidence produced and analyzed, and the possibility
7 of appeals, among other things. During all settlement discussions, the Parties conducted their
8 negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable
9 to all Parties was not easy. Defendants and their counsel felt strongly about their ability to prevail
10 on the merits and at certification, and Plaintiff and Class Counsel believed that they would be able
11 to obtain class certification and prevail at trial. After conducting investigations, formal and
12 informal discovery, and exchange of information, extensive settlement negotiations, and with the
13 aid of the mediator's evaluation, the Parties have agreed that the matter is well-suited for settlement
14 given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both
15 sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate
16 resolution of the Released Claims of Plaintiff and Settlement Class Members, against the Released
17 Parties.

18 12. The Parties used the pre-mediation time to investigate the veracity, strength, and
19 scope of the claims, and Class Counsel was preparing the action for class certification and trial.
20 Prior to engaging in mediation, Plaintiff conducted significant investigation and formal and
21 informal discovery regarding the facts of the cases, including and not limited to, the exchange,
22 review, and analysis of thousands of pages of documents and data obtained from Defendants,
23 Plaintiff, and other sources. Class Counsel propounded multiple sets of formal written discovery
24 requests onto Defendants (specifically Requests for Production of Documents, (Set One & Two);
25 Special Interrogatories, (Set One, Two & Three); and Form Interrogatories, (Set One)), and noticed
26 the depositions of Defendants' Person Most Knowledgeable designees. The volume of data and
27 documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiff
28 and other Class Members' employment records, a detailed sampling of Class Members' time and

1 pay data, Defendants' Employee Handbook, company policy acknowledgements (including but
2 not limited to Acknowledgment of Receipt of Employee Handbook and California Automotive
3 Technician Tool Acknowledgment & Agreement), Defendants' operations and employment
4 practices, forms (including but not limited to Uniform Release Form), procedures, and policies
5 (including but not limited to Time Records policy, Rest and Meal Periods (Non-Exempt
6 Employees) policy, Overtime (Non-Exempt Employees) policy, Cell Phone Reimbursement
7 policy, and Reimbursement of Business Expenses policy), among other information and
8 documents. Class Counsel interviewed Plaintiff and other Class Members to gather facts and to
9 identify potential witnesses. Counsel for the Parties also met and conferred on numerous
10 occasions, e.g., to discuss issues relating to the pleadings, discovery, and the production of
11 documents and data prior to the mediation. Class Counsel also drafted pleadings and the mediation
12 brief and prepared for and attended court proceedings, mediation, and settlement negotiations,
13 among other tasks.

14 13. Counsel for the Parties have also invested time researching and investigating the
15 applicable law, which is constantly evolving as it relates to certification, representative PAGA
16 claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement, Plaintiff's claims
17 and damages, and Defendants' defenses thereto, as well as facts discovered. Based on our analysis,
18 I submit that the result achieved in this litigation is fair, adequate, and reasonable.

19 14. The Settlement provides for a Total Settlement Amount of Three Million Two
20 Hundred Thousand Dollars and No Cents (\$3,200,000.00). The Net Settlement Amount is the
21 Total Settlement Amount less the following amounts subject to approval by the Court: Attorneys'
22 Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, Settlement Administration
23 Costs to the Settlement Administrator, and LWDA Payment to the Labor and Workforce
24 Development Agency ("LWDA"). Assuming that the amounts allocated under the Settlement
25 toward these payments are awarded by the Court, the Net Settlement Amount that will be available
26 for distribution to Settlement Class Members is currently estimated to be One Million Seven
27 Hundred Twenty Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three Cents
28 (\$1,720,833.33). The Total Settlement Amount will be fully distributed in accordance with the

1 terms of the Settlement and there is no reversion to Defendants.

2 15. The Parties have agreed to retain Simpluris, Inc. (“Simpluris” or “Settlement
3 Administrator”) to handle the notice and settlement administration process. The Parties
4 respectfully request that the Court appoint Simpluris to handle these procedures and serve as the
5 Settlement Administrator. Defendants will provide Simpluris with a list of Class Members that
6 Defendants will compile from its records, which will include each Class Member’s last known full
7 name; last known mailing addresses; last known telephone number; name(s) of California Store
8 Location(s) at which the Class Member worked during the Class Period; Social Security Number;
9 and Workweeks (“Class Data and List”), and Simpluris will calculate each Class Member’s
10 estimated share of the Net Settlement Amount (“Individual Settlement Share”). Simpluris will
11 also receive requests for exclusion from the Settlement, objections to the Settlement, and disputes
12 regarding Workweeks; provide necessary reports and declarations; calculate, subtract, and
13 transmit necessary taxes and withholdings; prepare and submit informational and other tax filings
14 and documents; issue and transmit all payments provided for by the Settlement, including and not
15 limited to, mailing Individual Settlement Payment checks to the Settlement Class Members; and
16 perform any other usual and customary duties for administering a class action settlement.
17 Settlement Administration Costs are currently estimated not to exceed Fifteen Thousand Dollars
18 and No Cents (\$15,000.00) and will be paid out of the Total Settlement Amount, subject to
19 approval of the Court.

20 16. Based on investigation and information discovered, Class Counsel believes that
21 there is sufficient evidence to support the allegations made in the lawsuit, including the allegations
22 that Defendants, with respect to Plaintiff and the Class Members, *inter alia*, failed to properly pay
23 overtime and minimum wages and associated premium pay, failed to provide compliant meal and
24 rest periods and to pay associated premium pay, failed to timely pay wages during employment
25 and upon termination of employment, failed to provide compliant wage statements, failed to
26 maintain requisite payroll records, and failed to reimburse necessary business expenses, and
27 thereby engaged in unfair business practices and conduct giving rise to civil penalties recoverable
28 under the Private Attorneys General Act of 2004 (California Labor Code sections 2698, et seq.).

1 Plaintiff also asserted that Class Members were expected to perform similar job duties and were
2 subject to the same or similar operations and employment policies, practices, and procedures.
3 Additionally, Plaintiff asserted that Defendants' recordkeeping practices with respect to Plaintiff
4 and the Class Members were substantially the same during the time period at issue. As a result,
5 Plaintiff's claim that the Class Members, were uniformly not paid all of the compensation that was
6 owed to them by Defendants since July 8, 2016. Thus, in Class Counsel's view, it is clear that the
7 outcome of this litigation would be determined by Defendants' uniform operations and
8 employment practices, policies, and procedures that Plaintiff alleges applied across its hourly-paid
9 or non-exempt employees in California during the Class Period.

10 17. Class Counsel is aware of the defenses and position of Defendants, but believes that
11 Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff has also taken
12 into account the uncertainty and risk of the outcome of further litigation, and the difficulties and
13 delays inherent in such litigation, including those involved in class certification and/or
14 representative adjudication. Plaintiff further recognizes the burdens of proof necessary to establish
15 liability for the claims asserted in the lawsuits, Defendants' defenses, and the difficulties in
16 establishing entitlement to monetary recovery. Plaintiff has also considered the Parties' settlement
17 discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in
18 complex labor and employment matters.

19 18. Defendants, on the other hand, deny and continue to deny any liability and
20 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that
21 the lawsuit is appropriate for class treatment or representative adjudication for any purpose other
22 than this Settlement. Defendants believe that they would ultimately succeed in the matter. Both
23 sides have also had the opportunity to interview witnesses and review documents and information
24 relating to Plaintiff's and Class Members' employment with Defendants, and Defendants'
25 operations and employment policies, practices, and procedures. The Parties also reviewed and
26 analyzed thousands of pages of documents and data, including but not limited to a detailed
27 sampling of Class Members' time and pay information, to determine the potential value and
28 strength of the claims. The available information enabled Class Counsel to estimate the potential

1 claims of the Class and prepare damages/valuation models. Accordingly, the Parties have
2 conducted adequate investigation and discovery to be sufficiently informed of the nature and
3 extent of the Class Members' claims, and to enable both sides to fully evaluate the Settlement for
4 its fairness, adequacy, and reasonableness. The Parties have agreed that the matter is well-suited
5 for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and
6 risks to both sides that would attend further litigation. The Settlement takes into account the
7 strengths and weaknesses of each side's position and the uncertainty of how the case might have
8 concluded at certification, trial, and/or appeals.

9 19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees
10 in an amount of up to thirty-three point thirty-three percent (33.33%) of the Total Settlement
11 Amount (i.e., \$1,066,666.67) and expenses and costs in an amount not to exceed Thirty Thousand
12 Dollars and No Cents (\$30,000.00), which will be paid out of the Total Settlement Amount, subject
13 to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs
14 of litigation and will not receive any compensation until recovery is obtained.

15 20. The Settlement Agreement provides for payment of up to Seven Thousand Five
16 Hundred Dollars and No Cents (\$7,500.00) to Plaintiff as an Enhancement Payment, to be paid
17 out of the Total Settlement Amount subject to approval by the Court. Plaintiff spent considerable
18 time and effort to produce relevant documents and past employment records and to provide the
19 facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever
20 Class Counsel needed him and actively tried to obtain information that would benefit the Class.
21 Accordingly, it is appropriate and just for Plaintiff to receive an Enhancement Payment, in addition
22 to his Individual Settlement Payment, for his services on behalf of the Class.

23 ESTIMATE OF THE VALUE OF THE CLAIMS

24 21. Plaintiff's action alleges that Defendants have violated the California Labor Code
25 by engaging in a uniform policy and systematic scheme of wage abuse against Plaintiff and the
26 putative class members, including *inter alia*, failing to properly compensate overtime and
27 minimum wages, failing to provide compliant meal and rest periods and associated premium pay,
28 failing to timely pay wages and associated waiting-time penalties, failing to provide compliant

1 wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary
2 business expenses. Plaintiff further contends that Defendants thereby engaged in unfair business
3 practices (under the California Business and Professions Code) and owe penalties under the
4 PAGA.

5 22. Based on data provided by Defendants, the total number of putative class members
6 during the period from July 8, 2016 to March 24, 2021 (“relevant time period”) was estimated to
7 be eight hundred eighty-four (884) individuals who worked a total of forty thousand five hundred
8 seventy-three (40,573) workweeks with an average hourly rate of pay of fifteen dollars and eighty-
9 five cents (\$15.85).

10 23. Plaintiff contended that Defendants’ uniform policies, practices, and procedures
11 required putative class members to perform work during meal and rest periods and before
12 clocking-in and after clocking-out (e.g., to meet unreasonable workloads and answer questions
13 from supervisors). Plaintiff further contended that Defendants failed to properly calculate the
14 regular rate of pay in connection with payment of overtime, by failing to take into consideration
15 non-discretionary production bonuses, commissions, and incentives. Plaintiff also contended that
16 Plaintiff and putative class members regularly suffered short, late, interrupted, and missed meal
17 and rest periods due to severe understaffing, heavy workloads, and strict timetables, and that
18 Defendants failed to properly pay premiums for all non-compliant meal and rest periods.
19 Additionally, Plaintiff alleged that Defendants intentionally and willfully failed to pay Plaintiff
20 and putative class members all wages due to them while they were employed by Defendants,
21 within the time period permissible under California law, and upon termination, within the time
22 period permissible under California law, thereby triggering waiting-time penalties under
23 California Labor Code section 203. Plaintiff contended that, based on the violations described
24 herein, the wage statements provided by Defendants and the payroll records kept by Defendants
25 were inaccurate. Finally, Plaintiff contended that Defendants failed to reimburse Plaintiff and the
26 other putative class members for necessary business expenses, including, but not limited to, the
27 costs associated with the use of personal cell phones, mileage for the use of personal vehicles, and
28 the costs for equipment necessary to perform job duties.

24. Defendants contended, *inter alia*, that their practices, policies, and procedures complied with the law, and that they paid putative class members over the California minimum wage for all hours worked and correctly paid overtime for all overtime hours worked. Defendants also produced wage statements reflecting overtime compensation paid to many of the putative class members (including, and not limited to, Plaintiff). Defendants further contended that all employees were required to record all time worked, were given the opportunity to make any necessary timecard revisions or changes, and were instructed to inform Defendants of any non-compliant meal or rest periods and that Defendants were not aware that any work had been performed off-the-clock or during meal and rest periods. Defendants further provided evidence that they had paid meal period premiums for at least a part of the relevant time period. Defendants were adamant that no waiting-time penalties should be awarded because the waiting-time penalties are derivative of each and every other underlying cause of action, and contended that it paid the terminated employees all wages due and owing. Moreover, Defendants emphasized that, under California Labor Code section 203, employers are only obligated to pay waiting-time penalties if they “willfully” fail to pay wages due and owing at the time of termination or resignation. Defendants also contended that Plaintiff and putative class members suffered no actual injury from the alleged wage statement violations and that this cause of action is entirely derivative of the other causes of action or from the alleged recordkeeping violations. Defendants further contended that they have a policy and practice of reimbursing employees for necessary business-related expenses. Defendants vigorously challenged the likelihood of Plaintiff’s success in establishing that any of provisions of the California Labor Code, on which the UCL claim and civil penalties under PAGA are predicated, were violated and that such violations were injurious. Defendants also emphasized that Courts have wide discretion when assessing penalties under PAGA. Finally, throughout this litigation, Defendants argued that individual liability issues predominate, because putative class members worked in different locations, worked different shifts, and performed different job duties, and Defendants further contended that these circumstances would raise highly individualized questions of fact and would pose challenges to certification and the merits of Plaintiff’s claims.

25. Class Counsel considered information obtained through investigations and from Plaintiff and other putative class members, as well as class data and information provided by Defendants, and created damages/valuation models prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of each of the above-discussed claims. However, the potential value of each claim assumed an exposure based on the case having been certified and Plaintiff having proven all elements of the claims and damages, despite risks associated with obtaining and maintaining certification, risks to establishing liability and any underlying California Labor Code violations and damages, and significant additional costs that would have to be incurred in order to certify the case and establish liability and damages. Plaintiff also faced the risk of the Court finding that individualized issues predominate, such that the action is not suitable for class treatment and representative adjudication. While Class Counsel disagreed with Defendants' arguments and factual contentions, Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, the wage statements produced by Defendants, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel calculated the potential and realistic values of each claim as follows:

- a. Failure to Pay Overtime Wages: Assuming that it could be proven that Defendants failed to pay one (1) hour of overtime wages every workweek during the relevant time period, the potential value of this claim was estimated to be \$964,825.94 (40,573 workweeks x 1 hours of overtime wages x overtime hourly rate of \$23.78, which is based on the average hourly rate of \$15.85). At this juncture, a discount of 25% was applied to account for the risks associated with obtaining certification (bringing the value of this claim closer to \$723,619.46), a discount of 30% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$506,533.62), and a discount of 30% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$354,573.53).

- 1 b. Failure to Pay Minimum Wages: Assuming that it could be proven that Defendants
2 failed to pay one (1) hour of minimum wages every workweek, the potential value of
3 this claim was estimated to be \$643,082.05 (40,573 workweeks x 1 hour of unpaid
4 minimum wages x average hourly rate of \$15.85). At this juncture, a discount of 25%
5 was applied to account for the risks associated with obtaining certification (bringing the
6 value of this claim closer to \$482,311.54), a discount of 30% was applied to account for
7 the risks associated with succeeding on the merits and establishing liability (bringing
8 the value of this claim closer to \$337,618.08), and a discount of 30% was applied to
9 account for the risks associated with proving the extent of damages and obtaining an
10 award thereof (bringing the value of this claim closer to \$236,332.66).
- 11 c. Failure to Provide Compliant Meal Periods and Associated Premiums: Assuming that it
12 could be proven that two (2) meal period premiums are due for every workweek during
13 the relevant time period, the potential value of this claim was estimated to be
14 \$1,286,164.10 (40,573 workweeks x 2 meal period premiums x average hourly rate of
15 \$15.85). At this juncture, a discount of 25% was applied to account for the risks
16 associated with obtaining certification (bringing the value of this claim closer to
17 \$964,623.08), a discount of 30% was applied to account for the risks associated with
18 succeeding on the merits and establishing liability (bringing the value of this claim
19 closer to \$675,236.16), and a discount of 30% was applied to account for the risks
20 associated with proving the extent of damages and obtaining an award thereof (bringing
21 the value of this claim closer to \$472,665.31).
- 22 d. Failure to Provide Compliant Rest Periods and Associated Premiums: Assuming that it
23 could be proven that two (2) rest period premiums are due for every workweek during
24 the relevant time period, the potential value of this claim was estimated to be
25 \$1,286,164.10 (40,573 workweeks x 2 rest period premiums x average hourly rate of
26 \$15.85). At this juncture, a discount of 25% was applied to account for the risks
27 associated with obtaining certification (bringing the value of this claim closer to
28 \$964,623.08), a discount of 30% was applied to account for the risks associated with

succeeding on the merits and establishing liability (bringing the value of this claim closer to \$675,236.16), and a discount of 30% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$472,665.31).

e. Failure to Timely Pay Wages after Termination: Based on information and data provided by Defendants, it was estimated that approximately six hundred fifty-five (655) putative class members had been terminated during the three-year statute of limitations (i.e., from July 8, 2017). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties claim was estimated to be \$2,491,620.00 collectively (655 individuals x [30 days x hourly rate of \$15.85 x 8 hours]), or approximately \$3,804.00 per individual. At this juncture, a discount of 25% was applied to account for the risks associated with obtaining certification (bringing the value of this claim closer to \$1,868,715.00), a discount of 30% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$1,308,100.50), and a discount of 30% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$915,670.35).

f. Failure to Provide Compliant Wage Statements: Based on information and data provided by Defendants, it was estimated that approximately five hundred twenty-nine (529) putative class members worked during the one-year statutory limitations period (i.e., from May 4, 2019), and that these putative class members worked a total of eight thousand six hundred ninety (8,690) pay periods. Assuming that an injurious wage statement could be proven for each of these putative class members for each of these pay periods, the potential value of this claim was calculated to be \$842,500.00 [(529 initial violations x \$50 initial violation penalty] + [(8,690-529) subsequent violations x \$100 subsequent violation penalty]). At this juncture, a discount of 25% was applied to account for the risks associated with obtaining certification (bringing the value of this

claim closer to \$631,912.50), a discount of 40% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$379,147.50), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$189,573.75).

- g. Failure to Maintain Requisite Payroll Records: Arguably, this civil penalty would only be recoverable by the Labor Commissioner, however, Plaintiff Rex Tullio asserts a cause of action under PAGA. Therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.
- h. Failure to Reimburse Necessary Business Expenses: Assuming it could be proven that Defendants willfully failed to reimburse necessary business-related expenses for each of the eight hundred eighty-four (884) putative class members in the amount of five dollars (\$5) per workweek during the relevant time period, the potential value of this claim would be \$202,865.00 (40,573 total workweeks x \$5 business expenses). At this juncture, a discount of 25% was applied to account for the risks associated with obtaining certification (bringing the value of this claim closer to \$152,148.75), a discount of 30% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$106,504.13), and a discount of 30% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$74,552.89).
- i. PAGA Penalties: Assuming that it could be shown that civil penalties in the amount of one thousand eight hundred dollars (\$1,800) are owed to each of the five hundred twenty-nine (529) aggrieved employees who were estimated to have worked during the one-year statutory period, the PAGA penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce, were estimated to be approximately \$952,200.00 (529 individuals x \$1,800 civil penalties). At this juncture, a discount of 25% was applied to account for the risks associated with proving

manageability (bringing the value of this claim closer to \$714,150.00), a discount of 25% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$535,612.50), and a discount of 25% was applied to account for the risks associated with obtaining an award of civil penalties and the Court's discretion to reduce civil penalties (bringing the value of this claim closer to \$401,709.38).

26. The foregoing discussion confirms that the amount of the Settlement is adequate in light of the merits of this case, Plaintiff's allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide is clear-cut, which is why the Parties elected to settle this matter. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts. Class Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation.

Principle Claim	Potential Value	Risk-Adjusted Realistic Value
1. Failure to Pay Overtime Wages	\$964,825.94	\$354,573.53
2. Failure to Pay Minimum Wages	\$643,082.05	\$236,332.66
3. Failure to Provide Compliant Meal Periods and Associated Premiums	\$1,286,164.10	\$472,665.31
4. Failure to Provide Compliant Rest Periods and Associated Premiums	\$1,286,164.10	\$472,665.31
5. Failure to Timely Provide Wages and Waiting-Time Penalties	\$2,491,620	\$915,670.35
6. Failure to Provide Compliant Wage Statement	\$842,550	\$189,573.75
7. Failure to Maintain Requisite Payroll Records	See item 10.	
8. Failure to Reimburse Business Expenses	\$202,865	\$74,552.89
9. Unfair Business Practices	See items 1, 2, 3, 4, and 9.	

10. Private Attorneys General Act	\$952,200	\$401,709.38
Total:	\$8,669,471.19	\$3,117,743.18

27. This matter involves highly-disputed claims and is the product of compromise. Class Counsel submits that the Settlement presented for preliminary approval is within a reasonable range of recoveries for this type of litigation, and is fair, reasonable, adequate, and in the best interest of the Class, given the inherent cost and risks of further litigation.

28. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of the Class and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 4th day of January 2022, at Glendale, California.

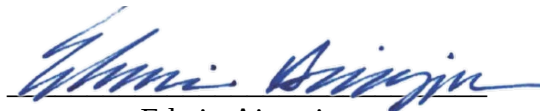

Edwin Aiwanian

EXHIBIT A

**JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND
RELEASE**

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Rex Tullio (“Plaintiff” or “Class Representative”), on behalf of all others similarly situated and aggrieved employees, and Defendants DACM, Inc. dba Del Amo Motorsports, Too Fast, Inc., California Motorcycle Assessories, Inc., DASB, Inc., and DAMLA, Inc. (“Defendants” or “Employers”) (collectively with Plaintiff, the “Parties”).

This Settlement Agreement shall be binding on Plaintiff and Settlement Class Members (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On May 4, 2020, Plaintiff provided written notice by certified mail to the Labor and Workforce Development Agency and Defendants of the specific provisions of the California Labor Code that Defendants violated (“LWDA Notice”). On July 8, 2020, Plaintiff filed the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. against Defendant DACM, Inc. dba Del Amo Motorsports in the Superior Court of California for the County of Orange, thereby commencing the action entitled *Rex Tullio v. Del Amo Motorsports, et al.*, Orange County Superior Court, Case No. 30-2020-01147256-CU-OE-CXC (“Action”). On October 6, 2021, Plaintiff filed the First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Operative Complaint”) against Defendants.

2. The Operative Complaint alleges eleven causes of action for failure to properly pay minimum wages, failure to properly pay overtime wages, failure to provide meal periods and associated premiums, failure to provide rest periods and associated premiums, failure to pay timely wages during employment, failure to timely pay final wages, failure to keep compliant payroll records, failure to keep compliant wage statements, failure to reimburse business expenses,

violations of California Business and Professions Code §§ 17200, *et seq.*, and civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code Section 2698, *et seq.* (“PAGA”), on behalf of current and former hourly-paid or non-exempt employees employed by Defendant DACM, Inc. dba Del Amo Motorsports at store locations operated by Defendants in California at any time from July 8, 2016 to final judgment.

3. Defendants deny all material allegations set forth in the Action, and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally settle the Action and Released Claims.

4. Class Counsel in the Action diligently investigated the claims against Defendants, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of numerous corporate policies and practices.

5. On April 8, 2021, the Parties participated in mediation with Hon. S. James Otero (Ret.) (the “Mediator”), a respected mediator of complex wage and hour actions. With the assistance of the Mediator and his evaluations, the Parties ultimately reached the settlement that is memorialized herein. The settlement discussions were conducted at arm’s-length, and the settlement is the result of an informed and detailed analysis of Defendants’ potential liability and exposure in relation to the costs and risks associated with continued litigation of the Action. Based on the documents produced, as well as Class Counsel’s own independent investigation and evaluation, Class Counsel believe that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendants.

6. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission regarding liability, wrongdoing, class suitability, or representative adjudication

suitability by either Plaintiff or Defendants. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

7. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Action, and all actual costs incurred and to be incurred by Class Counsel in connection with litigation and resolution of the Action, as set forth in Paragraph 12 below.

b. “California Store Locations” means, collectively, the following store locations in California:

DAMS – Orange County, currently located at 2401 Pullman Street, Santa Ana, California 92705, operated by DACM, Inc. dba Del Amo Motorsports;

DAMS – Redondo Beach, currently located at 2500 Marine Avenue, Redondo Beach, California 90278, operated by Too Fast, Inc;

DAMS – Long Beach, currently located at 3291 Cherry Avenue, Long Beach, California 90807, operated by California Motorcycle Assessories, Inc.;

DAMS – Chula Vista, currently located at 1890 Auto Park Place, Chula Vista, California 91911, operated by DASB, Inc.; and

DAMS - Los Angeles, currently located at 15725 Lakewood Boulevard, Paramount, California 90723, operated by DAMLA, Inc.

c. “Class Counsel” or “Plaintiff’s Counsel” mean Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of Lawyers *for* Justice, PC, who will seek to be appointed counsel for the Class.

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d. “Class Data and List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator within forty-five (45) calendar days after Preliminary Approval. The Class Data and List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s last known full name, last known mailing address, last known telephone number, name(s) of California Store Location(s) at which the Class Member worked during the Class Period, Social Security Number, and Workweeks. The Class Data and List will also include the Total Workweeks Count for the Escalator Clause, so that Class Counsel and the Settlement Administrator may confirm whether or not the Workweeks threshold referenced in the escalator provision in Paragraph 38(a) has been exceeded. For each Class Member, Defendants will report to the Settlement Administrator two Workweek totals: (1) the number of Workweeks each employee worked between July 8, 2016 to March 24, 2021 (the time period relevant for the escalator provision); and (2) the number of Workweeks each employee worked between March 25, 2021 and the date of Preliminary Approval. Each Class Notice will include both Workweeks counts for each respective Class Member, and Class Members will have an opportunity to dispute the number of Workweeks to which they have been credited, as reflected in their respective Class Notice.

e. “Class Member(s)” or “Class” mean all current and former hourly-paid or non-exempt employees employed by DACM, Inc. dba Del Amo Motorsports at any time from July 8, 2016 through the date of Preliminary Approval, including employment with the following entities.

DAMS – Orange County, currently located at 2401 Pullman Street, Santa Ana, California 92705, operated by DACM, Inc. dba Del Amo Motorsports;

DAMS – Redondo Beach, currently located at 2500 Marine Avenue, Redondo Beach, California 90278, operated by Too Fast, Inc;

DAMS – Long Beach, currently located at 3291 Cherry Avenue, Long Beach, California 90807, operated by California Motorcycle Assessories, Inc.;

DAMS – Chula Vista, currently located at 1890 Auto Park Place, Chula Vista, California 91911, operated by DASB, Inc.; and

DAMS - Los Angeles, currently located at 15725 Lakewood Boulevard, Paramount, California 90723, operated by DAMLA, Inc.

f. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as “**Exhibit A.**”

g. “Class Period” means the time period from July 8, 2016 through the date of Preliminary Approval.

h. “Class Representative” or “Plaintiff” means Rex Tullio.

i. “Court” means the Superior Court of the State of California for the County of Orange.

j. “Defendants” means DACM, Inc. dba Del Amo Motorsports, Too Fast, Inc., California Motorcycle Assessories, Inc., DASB, Inc., and DAMLA, Inc..

k. “Defendants’ Counsel” means Jon C. McNutt and Barbora Pulmanova of Musick, Peeler & Garrett LLP.

l. “Effective Date” means the date when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendants’ Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been mailed to the Class Members, providing them with an opportunity to object to the terms of the Settlement or opt out of the Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court enters a Final Approval Order and Judgment; and (6) in the event there are written objections filed prior to the Final Approval Hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed; or, if any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has

been filed, five business days after any appeal, writ, or other appellate proceedings opposing the Settlement has finally and conclusively dismissed with no right to pursue further remedies or relief.

m. “Enhancement Payment” means the amount to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action, as set forth in Paragraph 13 below.

n. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

o. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

p. “Individual Settlement Payment” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 27 below.

q. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Settlement, to be calculated in accordance with Paragraph 16, which is inclusive of employee’s share of taxes and withholdings with respect to the wages portion of the Settlement.

r. “LWDA Payment” means the amount that the Parties have agreed to pay to the California Labor and Workforce Development Agency (“LWDA”) as set forth in Paragraph 15.

s. “Net Settlement Amount” means the portion of the Total Settlement Amount that is available for distribution to Settlement Class Members, which is the Total Settlement Amount less the Court-approved Enhancement Payment, Settlement Administration Costs, LWDA Payment, and Attorneys’ Fees and Costs.

t. “Notice of Objection” means a Class Member’s valid and timely written objection to the Settlement. A Notice of Objection must: (a) state the case name and number of the Action; (b) state his or her full name, signature, address, telephone number, and the last four

digits of his or her Social Security number; (c) state all grounds for the objection accompanied by any legal or factual support for such objection; (d) state the full name, address, and telephone number of any legal representative representing him or her with respect to the objection; (e) copies of any papers, briefs, or other documents upon which the objection is based; and (f) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope on the submission will be the exclusive means to determine whether a Notice of Objection has been timely submitted. Only a Class Member who does not request exclusion from the Settlement may object to the Settlement.

u. “Operative Complaint” means the First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. filed on October 6, 2021 in the Action.

v. “Parties” means Plaintiff and Defendants, collectively, and “Party” means either Plaintiff or Defendants, individually.

w. “Preliminary Approval” means entry of the Court order granting preliminary approval of the Settlement.

x. “Released Claims” means any and all claims arising from any of the facts alleged in the Operative Complaint, arising during the period July 8, 2016 to Final Approval, including but not limited to claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law, for failure to properly pay overtime wages (including, and not limited to, failure to pay overtime wages and/or failure to correctly calculate the regular rate of pay used to calculate the overtime rate), failure to properly pay minimum wages, failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, failure to reimburse necessary business expenses, unfair or unlawful business practices in violation of California

Business and Professions Code § 17200, et seq., and civil penalties pursuant to California Labor Code § 2698, et seq. (“PAGA”), and any violation or breach of the California Labor Code arising from or related to the conduct alleged, including without limitation, Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, Industrial Welfare Commission Wage Orders, or any other state statute, rule and/or regulation, or similar causes of action arising from or relating to the conduct alleged.

y. “Released Parties” means Defendants, their present and former parent companies, affiliates, subsidiaries, divisions, successors and assigns, and their respective shareholders, predecessors, insurers, current and former owners, employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their trustees, administrators, fiduciaries and insurers.

z. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a) state the case name and number of the Action, (b) be signed by the Class Member, (c) state the full name, address, telephone number, signature, and the last four digits of the Social Security Number of the Class Member requesting exclusion, (d) state that the Class Member does not wish to be included in the Settlement, and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope on the submission will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a Settlement Class Member and will be bound by all terms of the Settlement, if the Settlement is granted Final Approval by the Court.

aa. “Response Deadline” means the deadline by which Class Members must submit a Request for Exclusion, objection, and/or dispute of the Workweeks credited to them, which shall be the date that is sixty calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is

open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants' Counsel. Under no circumstances, however, will the Settlement Administrator have the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen calendar days.

bb. "Settlement Administrator" means Simpluris, Inc., a third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering the Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

cc. "Settlement Administration Costs" means the costs payable to the Settlement Administrator from the Total Settlement Amount, subject to Court approval, for administration of the Settlement, as set forth in Paragraph 14 below.

dd. "Settlement Class Member(s)" means Class Members who do not submit a valid and timely Request for Exclusion.

ee. "Total Settlement Amount" means the amount of Three Million Two Hundred Thousand Dollars (\$3,200,000) to be paid by Defendants, subject to Paragraph 38 below, in full resolution of all Released Claims and the Action, which includes all Attorneys' Fees and Costs, Enhancement Payment, LWDA Payment, Net Settlement Amount (which is inclusive of the Settlement Class Members' portion of the PAGA Allocation and the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares), and Settlement Administration Costs. Defendants' employer share of taxes and contributions on the wages portion of Individual Settlement Shares will be paid separately and in addition to the Total Settlement Amount.

ff. "Workweeks" means the number of weeks each Class Member was employed as an hourly-paid or non-exempt employee by Defendant DACM, Inc. dba Del Amo Motorsports during the Class Period at California Store Locations, which information will be

provided by Defendants to the Settlement Administrator.

OPERATIVE COMPLAINT

8. The Parties agreed to amend the complaint in the Action in order to implement the class action settlement, to formally allege the claims that were investigated, litigated, mediated, and resolved. The contemplated amended complaint included class claims against all Defendants reaching back to July 8, 2016. The First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq., i.e., the contemplated amended complaint, was filed on October 6, 2021.

CLASS CERTIFICATION

9. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class.

10. The Parties agree that certification of the Class for the purpose of the Settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure, or for any other purpose. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to certification of the Class as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in the Action in a non-settlement context.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

11. Funding of the Total Settlement Amount. Within fifteen calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the Settlement. Within ninety calendar days of Final Approval or by April 8, 2022, whichever date is later in time, Defendants will make a one-time deposit of the Total Settlement Amount into a settlement account to be established by the Settlement Administrator. Within seven calendar days of the funding of Total Settlement

Amount, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) LWDA Payment to the Labor and Workforce Development Agency; (c) Enhancement Payment to Plaintiff; (d) Attorneys' Fees and Costs to Class Counsel; and (e) Settlement Administration Costs to the Settlement Administrator.

12. Attorneys' Fees and Costs. Class Counsel will request and Defendants will not oppose attorneys' fees of up to thirty-three and one-third percent (33.33%) of the Total Settlement Amount (i.e., up to One Million Sixty Six Thousand Six Hundred Sixty Six Dollars and Sixty Seven Cents (\$1,066,666.67)) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an amount not to exceed Thirty Thousand Dollars (\$30,000), both of which will be paid from the Total Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of the Settlement, as well as any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase annuities to utilize United States Treasuries and bonds or other attorney fee deferral vehicles, for Class Counsel. Any additional expenses for the purchase of an annuity by the Settlement Administrator shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Any portion of the Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount to be distributed to Settlement Class Members.

13. Enhancement Payment. In recognition of his efforts and work in prosecuting the Action, Defendants agree not to oppose or impede any application or motion for Enhancement Payment in an amount up to Seven Thousand Five Hundred Dollars (\$7,500) to Plaintiff. The

Enhancement Payment, which will be paid to Plaintiff from the Total Settlement Amount, subject to Court approval, will be in addition to his Individual Settlement Payment that are to be paid pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. Plaintiff agrees to indemnify and hold Defendants harmless from any claim or liability for taxes, penalties, or interest thereon arising as a result of the Enhancement Payment. Should the Court approve the Enhancement Payment to Plaintiff in an amount that is less than that set forth above, the difference between the lesser amount approved by the Court and the amount allocated toward the Enhancement Payment will be part of the Net Settlement Amount to be distributed to Settlement Class Members.

14. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Fifteen Thousand Dollars (\$15,000). These costs, which will be paid from the Total Settlement Amount, subject to Court approval, will include, *inter alia*, translating the Class Notice from English to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing 1099 and W-2 IRS Forms and undertaking all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be disclosed to the Court and deducted from the Total Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties will become part of the Net Settlement Amount to be distributed to Settlement Class Members.

15. Labor and Workforce Development Agency Payment. Subject to approval by the Court, the Parties agree that the amount of Four Hundred Eighty Thousand Dollars (\$480,000) from the Total Settlement Amount will be allocated toward penalties under the Private Attorneys General, California Labor Code Section 2698, *et seq.* (“PAGA Allocation”), of which seventy-five percent (75%), or \$360,000, will be paid to the Labor and Workforce Development Agency (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$120,000, will be distributed to Settlement Class Members as part of the Net Settlement Amount.

16. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members’ Workweeks, as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiply each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Member to yield the “Final Workweek Value,” and multiply each Settlement Class Member’s individual Workweeks by the Final Workweek Value to yield his or her Individual Settlement Share.

17. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under the Settlement shall not in any way entitle Plaintiff or any Settlement Class Member to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle them to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or

compensation plan document that might have been in effect during the Class Period).

18. Delivery of the Class Data and List. Within forty-five (45) calendar days of Preliminary Approval, Defendants will provide the Class Data and List to the Settlement Administrator.

19. Notice by First-Class U.S. Mail.

a. Within fourteen calendar days after receiving the Class Data and List from Defendant, the Settlement Administrator will perform a search based on the National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English and Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Class Notices that are returned as undeliverable and received by the Settlement Administrator on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-trace and re-mail the Class Notice within five calendar days.

20. Dispute Regarding Workweeks. Class Members will have an opportunity to dispute the number of Workweeks to which they have been credited, as reflected in their respective Class Notices. In order to dispute Workweeks, Class Members must submit a written letter to the Settlement Administrator that: (a) states the case name and number of the Action, (b) is signed by the Class Member, (c) states the full name, address, telephone number, and the last four digits of the Social Security Number of the disputing Class Member, (d) states that the Class Member disputes the number of Workweeks credited to him or her and what he or she contends is the correct number that should be credited to him or her, (e) includes information and/or attaches documentation demonstrating that the number of Workweeks that he or she contends should be credited to him or her is correct, and (f) is returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on

the return mailing envelope on the submission will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks to be credited to a disputing Class Member, Defendant's records will be presumed correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator shall notify Class Counsel and Defendant's Counsel of the fact that a Class Member has made a dispute and advise them of the outcome.

21. Settlement Checks. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members in accordance with this Settlement Agreement. Each Individual Settlement Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be cancelled. All funds associated with such cancelled checks will be distributed by the Settlement Administrator, in accordance with California Code of Civil Procedure section 384, to Legal Aid at Work, a non-profit legal services organization that assists low-income working families through its projects including and not limited to its Workers' Rights Clinics. The Parties and their counsel each represent that they do not have a financial interest in or otherwise have a relationship with Legal Aid at Work that creates or could create a conflict of interest. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of any Individual Settlement Payment checks. Settlement Class Members whose Individual Settlement Payment checks are cancelled shall, nevertheless, be bound by this Settlement Agreement.

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22. Procedure for Requesting Exclusion from the Settlement. Any Class Member wishing to be excluded from the Settlement must submit a written Request for Exclusion to the Settlement Administrator, by mail, within the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Settlement Agreement.

23. Settlement Terms Bind All Class Members Who Do Not Request Exclusion. Any Class Member who does not affirmatively request exclusion from the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Settlement Agreement, including and not limited to those pertaining to the release of Released Claims, as well as the Final Approval Order and Judgment that may be entered by the Court if it grants Final Approval to the Settlement.

24. Procedures for Objecting to the Settlement. To object to the Settlement, Class Members who have not opted out of the Settlement (i.e., Settlement Class Members) must submit a timely and complete Notice of Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection at the Final Approval Hearing.

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25. Reports by the Settlement Administrator Regarding Settlement Administration.

The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted a dispute of Workweeks; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion or timely and complete Notices of Objection; and (c) the number of undeliverable and re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement as needed or requested, and immediately notify Class Counsel and Defendant's Counsel when it receives a request from an individual or any other entity requesting to be included in the Class and/or Settlement.

26. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

27. Treatment of Individual Settlement Payments. Each Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to interest and penalties will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payment (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). Defendant's employer share of taxes and contributions on the wages portion of Individual Settlement Shares will be paid by Defendants separately and in addition to the Total Settlement Amount.

28. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by this Settlement Agreement and by law for all amounts paid pursuant to the Settlement. The Settlement Administrator will also be

responsible for forwarding all taxes, contributions, and withholdings with respect to the wages portion of Individual Settlement Shares to the appropriate government authorities.

29. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel make no representations or warranties as to the tax consequences, treatment, or legal effect of any payments made under this Settlement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff and Settlement Class Members understand and agree that Plaintiff and Settlement Class Members will be solely responsible for correctly characterizing any compensation received under the Settlement on his/her personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

30. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY (AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (a) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (b) THE ACKNOWLEDGING PARTY (i) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (ii) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (iii) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY

OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (c) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

31. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

32. Release of Claims by Settlement Class Members. Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Settlement Class Members (i.e., Class Members who do not submit a valid and timely Request for Exclusion) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had.

33. General Release of Claims by Plaintiff. In addition, upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all claims arising from his employment with Defendants, separation of employment from Defendants, and any acts that have or could have been asserted in any legal action or proceeding against Defendants, whether known or unknown, arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act,

California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the date on which the Settlement is executed. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all claims he now has against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

34. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for Plaintiff's Motion for Preliminary Approval of the Settlement, which Plaintiff and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion and also submit this Settlement Agreement to the Labor and Workforce Development Agency. Class Counsel will provide Defendant's Counsel a draft of the motion at least three calendar days before the filing deadline. Defendants agree not to oppose the motion consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as representative of the Class;
- d. Preliminarily appointing Plaintiff's Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by First Class U.S. mail;
- f. Approving the manner and method for Class Members to request exclusion from the Settlement or object to the Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable and adequate as to the Settlement Class Members.

35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) LWDA Payment; (c) Attorneys' Fees and Costs; (d) Enhancement Payment; and (e) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel a draft of the motion at least three (3) calendar days before the filing deadline. By way of said motion, Plaintiff will apply for the entry of the mutually-agreed upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

- a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Certifying the Class for settlement purposes;
- c. Awarding Attorneys' Fees and Costs to Class Counsel;

- d. Awarding Enhancement Payment to Plaintiff;
- e. Directing Defendants to fund all amounts due under the Settlement Agreement and ordered by the Court; and
- f. Entering judgment in the Action barring and enjoining all Settlement Class Members from prosecuting the Released Claims against any of the Released Parties, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

36. Termination or Revocation of Settlement. If five percent or more of the Class Members submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement Agreement. Defendants must jointly agree to exercise this right of rescission and do so in writing that is provided to Class Counsel within ten calendar days after the Settlement Administrator notifies the Parties of the total number of timely and valid Requests for Exclusion received by the Response Deadline. If Defendants exercise this option, Defendants shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

37. Effects of Termination of the Settlement. Termination of the Settlement Agreement shall have the following effects:

- a. The Settlement Agreement shall be void and shall have no force or effect, and no Party shall be bound by any of its terms;
- b. In the event the Settlement Agreement is terminated, Defendants shall have no obligation to make any payments to any Party, Class Member or attorney, except that the terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the Settlement has been terminated;
- c. The Preliminary Approval Order, Final Approval Order and Judgment, including any order certifying the Class, shall be vacated;
- d. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the execution of the

Settlement Agreement;

e. Neither this Settlement Agreement, nor any ancillary documents, actions, statements or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever; and

f. Any documents generated to bring the Settlement into effect, will be null and void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

38. Calculation of Workweeks Related To Escalator Clause

a. Defendants represent that, for the period of July 8, 2016 to March 24, 2021, Workweeks totalled approximately 40,573. If it is determined that the number of Workweeks for the time period of July 8, 2016 through March 24, 2021 actually exceeds 40,573 by more than twelve percent (i.e., the Workweeks exceed 45,442), the Total Settlement Amount will be increased *pro rata* to the extent the Workweeks for the period July 8, 2016 through March 24, 2021 exceed 45,442 (e.g. if the number of Workweeks increases by 13% to 45,847.50, the Total Settlement Amount will increase by 1%).

b. Defendants calculated the Workweeks count referenced above (i.e., 40,573 Workweeks as of March 24, 2021) as follows:

i. 33,052 Workweeks derived from punch data for Class Members for whom such data was available. If that punch data reflected that an employee worked one day within a workweek (defined as Monday to Sunday), it counted as one (1) Workweek.

ii. 6,869 Workweeks derived from payroll data for Class Members for whom punch data was unavailable. This payroll data reflected 3,299 pay periods, which were then multiplied by the average Workweeks per pay period that was derived from the punch data referenced in subparagraph 38(b)(i), which were determined to be approximately 2.082 Workweeks per pay period.

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iii. There were 7 pay periods for which punch and payroll data was unavailable (i.e., pay periods involving pay dates 4/25/2018, 5/10/2018, 5/25/2018, 6/10/2018, 7/10/2018, 7/25/2018, and 8/10/2018), with an estimated 313 total Class Member pay periods impacted (“Missing Data Time Period”). These 313 estimated pay periods were then multiplied by the same average Workweeks per pay period that was derived from the punch data as referenced in subparagraph 38(b)(i), i.e., approximately 2.082 Workweeks per pay period, to yield 652 Workweeks (“Estimated Workweeks”). These 652 estimated Workweeks could not be attributed to any particular Class Member due to the missing data set for the seven pay periods at issue, but rather this Workweeks count is an aggregate estimate.

39. Calculation of Workweeks Total for the Period July 8, 2016 to March 24, 2021 (For Purposes of Escalator Clause).

a. When gathering the Class Data and List, Defendants will again re-calculate Workweeks as of March 24, 2021 to determine whether they exceed 45,442, i.e., for purposes of allowing the Parties to assess whether the Total Settlement Amount is subject to pro rata increase under the terms of Paragraph 38, as follows:

i. For Class Members for whom punch data is available between July 8, 2016 and March 24, 2021, if that punch data reflects that said Class Member worked one day within a workweek (defined as Monday to Sunday), it will be counted as one (1) Workweek.

ii. For Class Members for whom punch data is unavailable between July 8, 2016 and March 24, 2021, but payroll data is available, Defendants will determine how many pay periods each Class Member worked as reflected in the payroll data and then multiply the number of pay periods by the average Workweeks per pay period that is derived from the punch data referenced in subparagraph 39(b)(i).

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iii. For Class Members for whom punch data and payroll data is unavailable for the Missing Data Time Period, the Workweeks during the Missing Data Time Period will be re-calculated and apportioned to said Class Members by Defendants, as follows: Defendants will identify all of said Class Members who were employed by Defendants during the pay period immediately preceding the Missing Data Time Period. Defendants will also identify any of said Class Members whose employment was terminated during the Missing Data Time Period. If said Class Member worked for Defendants throughout the entire Missing Data Time Period, Defendants will allocate two (2) Workweeks for each pay period during the Missing Data Time Period to said Class Member. If said Class Member worked for Defendants for only part of the Missing Data Time Period, Defendants will allocate one (1) Workweek for each week during which he or she worked to said Class Member.

b. The Class Notice will include the Workweeks count for the period July 8, 2016 to March 24, 2021 for each respective Class Member, and Class Members will have an opportunity to dispute the number of Workweeks to which they have been credited for the period July 8, 2016 to March 24, 2021, as reflected in their respective Class Notices. If taking into account Class Members' Workweeks disputes, and any valid and confirmed Workweeks errors, it is determined that the Workweeks as of March 24, 2021 exceed 45,442, the Total Settlement Amount is subject to pro rata increase under the terms of Paragraph 38.

40. Calculation of Workweeks During the Period March 25, 2021 to Preliminary Approval. Defendants shall use the following methodology to calculate and report the individual Workweeks count for each Class Member between March 25, 2021 and the date of Preliminary Approval, as follows:

a. For Class Members for whom punch data is available between March 25, 2021 and the date of Preliminary Approval, if that punch data reflects that said Class Member worked one day within a workweek (defined as Monday to Sunday), it shall be counted as one (1) Workweek.

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b. For Class Members for whom punch data is unavailable but for whom payroll data is available between March 25, 2021 and the date of Preliminary Approval, the pay periods shall be determined based on the payroll data and multiplied by the average Workweeks per pay period derived from the punch data in subparagraph 40(a).

c. The Class Notice will include the Workweeks count for the period March 25, 2021 to Preliminary Approval for each respective Class Member, and Class Members will have an opportunity to dispute the number of Workweeks to which they have been credited for the period March 25, 2021 to Preliminary Approval, as reflected in their respective Class Notices.

41. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

42. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

43. Limitation on Publicity. Plaintiff and Class Counsel will not make any public disclosure of the settlement or discuss the settlement or this Settlement Agreement with anyone other than those necessary to effectuate the filing of the Motion for Preliminary Approval. Class Counsel will take all steps necessary to ensure Plaintiff are aware of, and will encourage them to adhere to, the restriction against any public disclosure of the settlement until after the Motion for Preliminary Approval is filed. Prior to and following Preliminary Approval of the Settlement, Plaintiff and Class Counsel will not have any communications with any media other than to direct any media inquiries to the public records of the Action on file with the Court and will not publicize

the Settlement, including on social media. Class Counsel will take all steps necessary to ensure Plaintiff is aware of, and will encourage them to adhere to, the restriction against any media comment on the settlement and its terms. Class Counsel further agree not to use the settlement of the Action or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity with PAGA. Neither Plaintiff nor Class Counsel shall engage in any disparagement of any type related to this settlement, however, this shall not prohibit Plaintiff and/or Class Counsel from submitting information to the Court about assessment of the claims and allegations to support a finding that the Settlement is fair, reasonable, and adequate and should be approved by the Court.

44. Entire Agreement. Upon full execution of this Settlement Agreement by the Parties, this Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms, and no other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

45. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure section 583.310), except such proceedings necessary to complete and implement the Settlement, pending the Final Approval Hearing to be conducted by the Court.

46. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of

this Settlement Agreement will not constitute a waiver of any other provision.

47. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions 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 warrant that they understand and have full authority to enter into this Settlement Agreement, 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 state or federal law.

48. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Settlement Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the release and contemplated judgment as to the Settlement Class Members, and the release shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

49. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

50. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

51. 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, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

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52. Acknowledgment 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 and in the context of adversarial litigation, taking into account all relevant factors, present and potential. 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 Agreement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

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

54. Plaintiff's Agreement to Implement Settlement. Plaintiff agrees to be bound by the terms of the Settlement and cooperate in implementing the Settlement.

55. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendants do not admit, and specifically denies, that they have violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to

establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local or other applicable law.

56. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

57. 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 than another 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 arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

58. 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 that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

59. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

60. Notices. All notices, demands, and other communications to be provided to counsel for the Parties concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:
Edwin Aiwanian, Esq.
LAWYERS for JUSTICE, PC
410 W. Arden Ave., Suite 203
Glendale, California 91203

To Defendant:
Barbora Pulmanova, Esq.
MUSICK, PEELER & GARRET LLP
624 S. Grand Ave., Suite 2000
Los Angeles, California 90017

61. Final Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website within three business days of receipt. No individualized notice to the Class will be required.

62. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

63. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant:

IT IS SO AGREED.

Dated: 12/15/2021, 2021

PLAINTIFF REX TULLIO

Electronically Signed	2021-12-16 00:55:21 UTC - 67.158.63.129
Rex Tullio	
AssureSign®	dfa979e2-761c-48f5-ac32-ae00000c8b0f

Rex Tullio, Plaintiff

///

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**DEFENDANT DACM, INC. dba DEL AMO
MOTORSPORTS**

Dated: 12-22, 2021


Full Name: Claudia Perez
Title: Secretary
On behalf of Defendant DACM, Inc. dba Del Amo
Motorsports

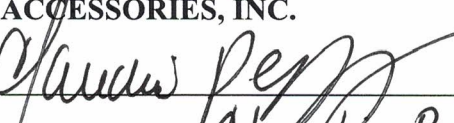
DEFENDANT TOO FAST, INC.

Dated: 12-22, 2021


Full Name: Claudia Perez
Title: Secretary
On behalf of Defendant Too Fast, Inc.

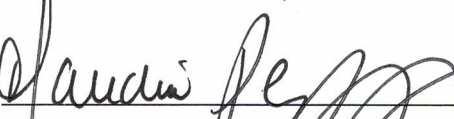
**DEFENDANT CALIFORNIA MOTORCYCLE
ACCESSORIES, INC.**

Dated: 12-22-, 2021


Full Name: Claudia Perez
Title: Secretary
On behalf of Defendant California Motorcycle
Assessories, Inc.

DEFENDANT DASB, INC.

Dated: 12-22-, 2021


Full Name: Claudia Perez
Title: Secretary
On behalf of Defendant DASB, Inc.

DEFENDANT DAMLA, INC.

Dated: _____, 2021

Full Name: _____

Title: _____
On behalf of Defendant DAMLA, Inc.

APPROVED AS TO FORM

LAWYERS *for* JUSTICE, PC

Dated: December 14, 2021



Edwin Aiwazian
Joanna Ghosh
Attorneys for Plaintiff and Proposed Class Counsel

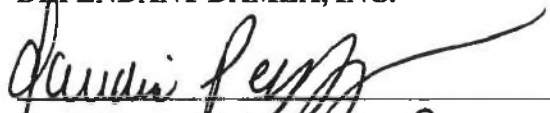
MUSICK, PEELER, & GARRETT LLP

Dated: _____, 2021

Jon C. McNutt
Barbora Pulmanova
Attorneys for Defendant DACM, Inc. dba Del Amo
Motorsports

DEFENDANT DAMLA, INC.

Dated: 12-22-, 2021


Full Name: Claudia Perez
Title: Secretary
On behalf of Defendant DAMLA, Inc.

APPROVED AS TO FORM

LAWYERS for JUSTICE, PC

Dated: _____, 2021

Edwin Aiwarzian
Joanna Ghosh
Attorneys for Plaintiff and Proposed Class Counsel

MUSICK, PEELER, & GARRETT LLP

Dated: 1/3/2022, 2021

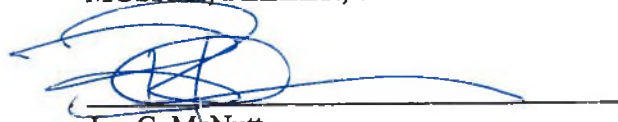

Jon C. McNutt
Barbora Pulmanova
Attorneys for Defendant DACM, Inc. dba Del Amo Motorsports

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Rex Tullio v. Del Amo Motorsports, et al.
Orange County Superior Court, Case No. 30-2020-01147256-CU-OE-CXC

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Rex Tullio ("Plaintiff") and DACM, Inc. dba Del Amo Motorsports, Too Fast, Inc., California Motorcycle Assessories, Inc., DASB, Inc., and DAMLA, Inc. (together, "Defendants") (Plaintiff and Defendants are collectively referred to as the "Parties") in the case entitled *Rex Tullio v. Del Amo Motorsports, et al.*, Orange County Superior Court, Case No. 30-2020-01147256-CU-OE-CXC ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees employed by DACM, Inc. dba Del Amo Motorsports at any time during the Class Period, including employment with the following entities.

- DAMS – Orange County, currently located at 2401 Pullman Street, Santa Ana, California 92705, operated by DACM, Inc. dba Del Amo Motorsports;
- DAMS – Redondo Beach, currently located at 2500 Marine Avenue, Redondo Beach, California 90278, operated by Too Fast, Inc;
- DAMS – Long Beach, currently located at 3291 Cherry Avenue, Long Beach, California 90807, operated by California Motorcycle Assessories, Inc.;
- DAMS – Chula Vista, currently located at 1890 Auto Park Place, Chula Vista, California 91911, operated by DASB, Inc.; and
- DAMS - Los Angeles, currently located at 15725 Lakewood Boulevard, Paramount, California 90723, operated by DAMLA, Inc.

"Class Member" means a member of the Class.

"Class Period" means the time period from July 8, 2016 through [date of Preliminary Approval].

II. BACKGROUND OF THE LAWSUIT

On July 8, 2020, Plaintiff commenced the Action. On October 6, 2021, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Operative Complaint"). By way of the Action, Plaintiff alleges putative wage-and-hour causes of action on behalf current and former hourly-paid or non-exempt employees who worked for Defendants in California at any of the California Store Locations (i.e., those store locations listed above in Section I in the definition of the Class are referred to as "California Store Locations").

Plaintiff alleges that Defendants violated the California Labor Code by failing to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, et seq. and conduct that gives rise to civil penalties under California Labor Code section 2698, et seq. ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendants deny all of the allegations in the Action or that they violated any law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Rex Tullio as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwarzian
Arby Aiwarzian
Joanna Ghosh
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff or to Class Members. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Three Million Two Hundred Thousand (\$3,200,000) (the “Total Settlement Amount”). The portion of the Total Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Total Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorneys’ Fees and Costs, consisting of attorneys’ fees in an amount not to exceed 33.33% of the Total Settlement Amount (i.e., \$1,066,666.67) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500) to Plaintiff for his services in the Action; (3) payment to the California Labor and Workforce Development Agency (“LWDA”) in the amount of Three Hundred Sixty Thousand Dollars (\$360,000) for its 75% portion of the PAGA Allocation (“LWDA Payment”); (4) Settlement Administration Costs in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00) to the Settlement Administrator.

Note: A total of Four Hundred Eighty Thousand Dollars (\$480,000) from the Total Settlement Amount has been allocated toward penalties under the Private Attorneys General Act (“PAGA Allocation”), of which the LWDA will be paid 75% (i.e., Three Hundred Sixty Thousand Dollars (\$360,000)) and the remaining 25% (i.e., One Hundred Twenty Thousand Dollars (\$120,000)) will be a part of the Net Settlement Amount for distribution to Settlement Class Members. Also, the Net Settlement Amount is inclusive of employee’s and Employer’s share of taxes and withholdings with respect to the wages portion of the Settlement. Additionally, the Total Settlement Amount may increase if it is determined that the Workweeks for the period July 8, 2016 through March 24, 2021 exceed 45,442.

Class Members are eligible to receive payment under the Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks that each Class Member was credited to have been employed as an hourly-paid or non-exempt employee by DACM, Inc. dba Del Amo Motorsports during the Class Period at California Store Locations (“Workweeks”). Any Monday to Sunday period in the Class Period in which the Class Member performed any work is a Workweek. For additional information regarding how Workweeks were calculated, please see the Settlement Agreement.

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Share.

Each Individual Settlement Share will be allocated as ten percent (10%) wages which will be reported on an IRS Form W2 and ninety percent (90%) penalties and interest which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s and Employer’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant’s Records

According to Defendant’s records: You have been credited with [redacted] Workweeks during the entire Class Period. You have been credited with [redacted] Workweeks during the period July 8, 2016 to March 24, 2021 and [redacted] Workweeks during the period March 25, 2021 to [date of Preliminary Approval].

If you wish to dispute the Workweeks credited to you, you must submit your dispute by way of written letter that is sent to the Settlement Administrator. The written letter must: (a) contain the case name and number of the Action; (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) state that you dispute the number of Workweeks credited to you and what you contend is the correct number that should be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct; and (f) be returned by mail to the Settlement Administrator at the address specified in Section IV.B below, postmarked **no later than [the Response Deadline]**.

C. Your Estimated Individual Settlement Share

As explained above, your estimated Individual Settlement Share is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [redacted]. The Individual Settlement Share is subject to reduction for the employee’s and Employer’s share of taxes and withholding with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court grants final approval of the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had.

“Released Claims” means any and all claims arising from any of the facts alleged in the Operative Complaint, arising during the period July 8, 2016 to Final Approval, including but not limited to claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law, for failure to properly pay overtime wages (including, and not limited to, failure to pay overtime wages and/or failure to correctly calculate the regular rate of pay used to calculate the overtime rate), failure to properly pay minimum wages, failure to provide compliant meal periods and associated premium pay, failure to provide compliant rest periods and associated premium pay, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to maintain requisite payroll records, failure to reimburse necessary business expenses, unfair or unlawful business practices in violation of California Business and Professions Code § 17200, et seq., and civil penalties pursuant to California Labor Code § 2698, et seq. (“PAGA”), and any violation or breach of the California Labor Code arising from or related to the conduct alleged, including without limitation, Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1,

1198, 2800, 2802, Industrial Welfare Commission Wage Orders, or any other state statute, rule and/or regulation, or similar causes of action arising from or relating to the conduct alleged.

“Released Parties” means Defendants, their present and former parent companies, affiliates, subsidiaries, divisions, successors and assigns, and their respective shareholders, predecessors, insurers, current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their trustees, administrators, fiduciaries and insurers.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty-three and one-third percent (33.33%) of the Total Settlement Amount (i.e., an amount of up to \$1,066,666.67) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000)(collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. All Attorneys’ Fees and Costs awarded by the Court will be paid from the Total Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to his Individual Settlement Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fifteen Thousand Dollars (\$15,000) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and disputes of Workweeks, calculating Individual Settlement Shares and Individual Settlement Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Total Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and the contemplated judgment to be entered by the Court based thereon if the Court grant final approval of the Settlement, and you will release the claims described in Section III.D above. As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement, you must seek exclusion from the Settlement by submitting a written request (“Request for Exclusion”) to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action; (b) be signed by you; (c) state your full name, address, telephone number, and last four digits of your Social Security Number; (d) contain a statement indicating that you do not wish to be included in the Settlement; and (e) be submitted to the Settlement Administrator by mail, postmarked **no later than [Response Deadline]**, at the following mailing address:

[Settlement Administrator]
[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms

of the Settlement, including those pertaining to the release of claims described in Section III.D above, as well as the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement.

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must: (a) state the case name and number of the Action; (b) state your full name, signature, address, and telephone number; (c) state all grounds for the objection accompanied by any legal or factual support for such objection; (d) state the full name, address, and telephone number of any legal representative representing you with respect to the objection; (e) contain copies of any papers, briefs, or other documents upon which the objection is based; and (f) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department CX104 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing. Please note, due to COVID-19, there are limitations on personal appearances and telephonic appearances are an option. You can find the Court’s most current COVID-19 guidelines online at: [https:// https://www.occourts.org/](https://www.occourts.org/)

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the Court, at 751 West Santa Ana Boulevard, Santa Ana, California 92701 or 700 Civic Center Drive West, Santa Ana, California 92701, during business hours.

Please note, due to COVID-19, there may be limitations on physical access to Court facilities and records. You can find the Court’s most current COVID-19 guidelines online at: <https://www.occourts.org/>

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**