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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

BERNARDINO RIZO, as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"), on behalf of the State of
California and other aggrieved employees,

Plaintiff,

vs.

TAP WORLDWIDE, LLC, a Delaware limited
liability company; POLARIS SALES INC., a
Minnesota corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 20STCV26548

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Los Angeles (“Court”), Plaintiffs Bernardino Rizo and Andre Dominguez (“Plaintiffs”) and Defendant TAP Worldwide, LLC (“Defendant”) (collectively with Plaintiffs, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of the actions presently entitled *Bernardino Rizo v. TAP Worldwide, LLC*, No. 20STCV26548 (Los Angeles County Superior Court) (“Rizo Action”) and *Andre Dominguez v. TAP Worldwide LLC dba 4 Wheel Parts Performance Center*, No. CVRI2000134 (Riverside County Superior Court), No. CVRI2000134 (Riverside County Superior Court) (“Dominguez Action”) (collectively, the “Actions”). The Parties agree that they will work cooperatively to consolidate the Actions or otherwise amend the operative complaint in the Rizo Action to include the claims in the Dominguez Action for purposes of a global settlement.

DEFINITIONS

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

1. “Actions” means *Bernardino Rizo v. TAP Worldwide, LLC*, No. 20STCV26548 (Los Angeles County Superior Court) and *Andre Dominguez v. TAP Worldwide LLC dba 4 Wheel Parts Performance Center*, No. CVRI2000134 (Riverside County Superior Court).
2. “Court” means the Superior Court for the State of California, County of Los Angeles.
3. “LWDA” means the California Labor and Workforce Development Agency.
4. “Maximum Settlement Amount” means the maximum settlement amount of Nine Hundred Fifty Thousand Dollars (\$950,000) which Defendant will pay or cause to be paid in full satisfaction of all Settled Claims arising from the Actions, and which includes but is not limited to all payments to PAGA Members, Plaintiffs, Plaintiffs’ Counsel, the LWDA, and the Settlement Administrator.
5. “PAGA Members” means all persons who, at any time during the Settlement Period, worked for Defendant as a non-exempt, hourly employee for any of its California retail facilities or for its Compton, California corporate offices or Distribution Center.

1 6. “PAGA Penalties Fund” means the Maximum Settlement Amount less the Attorneys’
2 Fees and Costs, Service Awards, and Settlement Administrator Costs.

3 7. “Plaintiffs’ Counsel” means Capstone Law APC, Polaris Law Group, and Hyun Legal,
4 APC.

5 8. “Released Parties” means TAP Worldwide, LLC and its subsidiaries, sister, parent,
6 affiliated, and related entities, including but not limited to Polaris Sales Inc., and each of its/their past,
7 present, or future managers, trustees, directors, administrators, officers, employees, agents, insurers,
8 attorneys, representatives, predecessors, successors and assigns, and each of them.

9 9. “Service Awards” means the amounts to be paid to Plaintiffs as payment for their
10 service on behalf of the LWDA and PAGA Members and for general releases of any and all known and
11 unknown claims that either Plaintiff has against Defendant and the Released Parties.

12 10. “Settled Claims” means any and all claims against Defendant and the Released Parties
13 for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other
14 provisions of law alleged or which could have been alleged to have been violated in the Actions with
15 respect to PAGA Members based on the allegations pleaded in the Actions during the Settlement Period.
16 The Settled Claims include, but are not limited to, claims brought on behalf of all PAGA Members
17 seeking PAGA civil penalties for violations of Labor Code Sections 201-204, 210, 222.5, 226, 226.3,
18 226.7, 246, 256, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 2698 *et seq.*,
19 2802, 6401, and 6403, and the corresponding sections of the applicable Wage Order. The Settled Claims
20 include penalties as well attorneys’ fees, costs, pre-judgment interest, post-judgment interest, and any
21 other monetary or non-monetary relief alleged or which could have been alleged for such claims. The
22 Settled Claims are being released by the PAGA Members, on behalf of themselves, agents, assignees,
23 heirs, executors, administrators, beneficiaries, trustees, and the State of California, and are being released
24 as to the Released Parties.

25 11. “Settlement Period” means May 1, 2019 through the date of entry of the Order and
26 Judgment.
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TERMS

12. Maximum Settlement Amount. In consideration for Plaintiffs' promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay or cause to be paid the Maximum Settlement Amount, which represents the maximum amount payable in this Settlement by Defendant, and includes all Attorneys' Fees and Costs, Service Awards, Settlement Administration Costs, and payments to PAGA Members and the LWDA for their share of the PAGA Penalties Fund. No portion of the Maximum Settlement Amount will be retained by, or revert to, Defendant. Under no circumstances will Defendant be required to pay greater than the Maximum Settlement Amount in order to effectuate or obtain Court approval of this Settlement.

13. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to PAGA Members and the LWDA in full satisfaction of the Settled Claims. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all PAGA Members according to the following formula:

- 13(a) Defendant will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all PAGA Members during the Settlement Period.
- 13(b) To determine each Aggrieved Employee's payment from the PAGA Penalties Fund, the Settlement Administrator will use the following formula:
- $$\text{Settlement Payment} = 25\% \text{ of PAGA Penalties Fund} \times [\text{Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period} \div \text{Total Pay Periods Worked by All PAGA Members during the Settlement Period}].$$

14. Attorneys' Fees and Costs. In full satisfaction of all claims Plaintiffs may have for attorneys' fees, and all out-of-pocket costs incurred and to be incurred by Plaintiffs' Counsel in the Actions, including but not limited to consultant fees, investigation expenses, and costs associated with documenting the Settlement, Plaintiff will seek Court approval of Three Hundred Sixteen Thousand Six

Hundred Sixty Seven Dollars (\$316,667) in attorneys' fees and Thirty Thousand Dollars (\$30,000) in litigation costs and expenses ("Attorneys' Fees and Costs"), to be paid from the Maximum Settlement Amount. Defendant agrees not to oppose Plaintiffs' request to the Court for Attorneys' Fees and Costs consistent with this Settlement Agreement. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiffs' Counsel will be added to the PAGA Penalties Fund, subject to Court approval. The Attorneys' Fees and Costs shall be split as follows: 75% to Capstone Law APC; 12.5% to Hyun Legal; and 12.5% to Polaris Law Group.

15. Service Awards. For general releases of all known or unknown claims that Plaintiffs may have against Defendant and/or the Released Parties, including but not limited to those arising out of their employment with Defendant, and for their service on behalf of the LWDA and PAGA Members, Defendant agrees it will not oppose Plaintiffs' request to the Court to approve an award of Ten Thousand Dollars (\$10,000), each ("Service Awards"). Upon payment of the Maximum Settlement Amount, Plaintiffs will be deemed to have fully released and discharged Defendant and the Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against Defendant, including but not limited to those arising out of or relating to Plaintiffs' employment or separation of employment with Defendant, and including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, attorneys' fees and costs (except provided by the Settlement), or any other monetary or non-monetary relief relating to or in any way connected with the matters referred to in this Paragraph, whether or not known or suspected to exist, and whether or not specifically or particularly described in this Paragraph. Specifically, Plaintiffs will be deemed to have waived all rights and benefits afforded by 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.

Being fully informed of the above provision of the Civil Code, Plaintiffs each waive any rights under Section 1542 and each acknowledge that this general release extends to all claims Plaintiffs have or may have against Defendant and/or the Released Parties, whether known or unknown.

16. Settlement Administration Costs. Subject to court approval, the Parties will retain CPT Group, Inc. as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms for all payments due under this Settlement, including payments to PAGA Members, the LWDA, Plaintiffs, and Plaintiffs' Counsel. The Settlement Administration Costs will be paid from the Maximum Settlement Amount. Based on the estimate that there are approximately One Thousand (1,000) PAGA Members, Settlement Administration Costs are currently estimated to be Eight Thousand Five Hundred Dollars (\$8,500). To the extent that actual Settlement Administration Costs exceed the Parties' estimate, the Parties will seek court approval of the additional amount, which will be paid out of the Maximum Settlement Amount.

17. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA as required by law. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the "Order and Judgment").

18. List of PAGA Members. Within seven (7) business days after entry of the Order and Judgment, Defendant will provide the Settlement Administrator a complete list of all PAGA Members ("PAGA Member List"). The PAGA Member List will be formatted in Microsoft Office Excel or other similarly available format and will include each PAGA Member's: (1) full name; (2) last known mailing address and telephone number; (3) last known Social Security number or tax identification number; (4) the respective number of pay periods during which each PAGA Member worked during the Settlement Period; and (5) any other relevant information reasonably necessary to calculate settlement payments.

19. Funding of the Settlement. Within ten (10) business days after entry of the Order and Judgment, Defendant will deposit the Maximum Settlement Amount into the QSF to be established by the Settlement Administrator. Within seven (7) business days of the funding of the Settlement, the

1 Settlement Administrator will issue all payments due under the terms of this Settlement Agreement,
2 including payments to: (a) PAGA Members; (b) the Labor and Workforce Development Agency; (c)
3 Plaintiffs; (d) Plaintiffs' Counsel; and (e) itself. The Settlement Administrator, and not Defendant, will
4 issue the appropriate tax forms for all payments issued under this Settlement.

5 20. Settlement Payments to PAGA Members. The Settlement Administrator will issue each
6 PAGA Member one check for his or her share of the PAGA Penalties Fund along with an explanatory
7 letter which will be mutually approved by the parties. Prior to mailing, the Settlement Administrator will
8 perform a search based on the National Change of Address Database for information to update and
9 correct for any known or identifiable address changes. Any checks returned as non-deliverable on or
10 before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the
11 forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator
12 will promptly attempt to determine the correct address using a skip-trace, or other search using the name,
13 address or Social Security number of the Aggrieved Employee involved, and will then perform a single
14 re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks
15 which remain outstanding 180 days after the mailing of the Settlement checks by the Settlement
16 Administrator will be tendered to the LWDA. All settlement payments to PAGA Members will be
17 treated as miscellaneous income for which a 1099 will be issued. Defendant does not make and has not
18 made any representations to Plaintiffs, their attorneys, or the PAGA Members whether or how any
19 payment made under this Settlement is subject to taxation. Should, for whatever reason, a federal, state,
20 or other governmental authority assert that any payment or consideration for settlement under this
21 Settlement Agreement is subject to additional federal, state, or local taxation, Plaintiffs and the PAGA
22 Members agree that they are solely responsible for and will indemnify and hold harmless Defendant and
23 any Released Parties from any actions, proceedings, claims, or demands for the payment of any taxes,
24 interest, penalties, levies, or applicable assessments.

25 21. Settled Claims. Upon entry of the Order and Judgment, Plaintiffs and all PAGA
26 Members will be forever barred from pursuing against Defendant any and all Settled Claims for the
27 Settlement Period. PAGA Members, other than Plaintiffs, will not be deemed to have released any
28 individual wage and hour claims by virtue of this Settlement.

22. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the Settlement. PAGA Members will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no PAGA Member has the right to object to the terms of the Settlement Agreement.

23. No Credit Toward Benefit Plans. Payments to PAGA Members as referenced in this Settlement will not be utilized to calculate any additional benefits under any benefit plans to which any PAGA Member may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any PAGA Member may be entitled under any benefit plans.

24. 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.

25. Nullification of Settlement Agreement. In the event that: (i) the Court denies approval of the Settlement; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

26. Consolidation/Amendment of Actions and Dismissal of Non-PAGA Claims. The Parties agree that they will work cooperatively to consolidate the Actions or otherwise amend the operative complaint in the Rizo Action to include the claims in the Dominguez Action for purposes of a global settlement and to obtain approval of the global settlement from the Court. Plaintiffs agree that they will dismiss any and all of their non-PAGA claims, including any alleged class action claims, with prejudice as to Plaintiffs.

27. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court

1 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
2 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
3 as may be appropriate under court rules or as set forth in this Settlement.

4 28. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
5 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
6 on the Parties.

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

10 30. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
11 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
12 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
13 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
14 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
15 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
16 reach agreement on the form or content of any document needed to implement the Settlement, or on any
17 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
18 may seek the assistance of the Court to resolve such disagreement.

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

21 32. California Law Governs. All terms of this Settlement Agreement will be governed by
22 and interpreted according to the laws of the State of California.

23 33. Execution and Counterparts. This Settlement Agreement is subject only to the execution
24 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
25 executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and
26 scanned copies of the signature pages, will be deemed to be one and the same instrument.

27 34. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
28 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions and have arrived at

1 this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge
2 that they are each represented by competent counsel and that they have had an opportunity to consult
3 with their counsel regarding the fairness and reasonableness of this Settlement.

4 35. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
5 Plaintiffs may appeal any reduction to the Attorneys' Fees and Costs below the amount they request
6 from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

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

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

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

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

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

27 41. Representation By Counsel. The Parties acknowledge that they have been represented
28 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.

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

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

44. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant or the Released Parties. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Actions, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 10/19/2021

Bernardino Rizo

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Bernardino Rizo

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PLAINTIFF

Dated: _____

Andre Dominguez

DEFENDANT

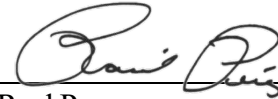
Dated: October 20, 2021


TAP Worldwide, LLC
Name of Authorized Signatory

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: October 19, 2021


Raul Perez

HYUN LEGAL, APC

Dated: _____

Dennis Hyun

POLARIS LAW GROUP LLP

Dated: _____

William L. Marder

BAKER & HOSTETLER LLP

Dated: October 20, 2021


Michael Chamberlin

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PLAINTIFF

Dated: 10/18/2021

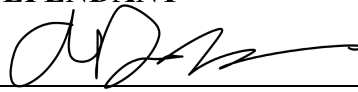
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ANDRE DOMINGUEZ

Andre Dominguez

DEFENDANT

Dated: October 20, 2021



TAP Worldwide, LLC

Name of Authorized Signatory

APPROVED AS TO FORM

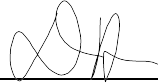
CAPSTONE LAW APC

Dated: _____

Raul Perez

HYUN LEGAL, APC

Dated: _____



Dennis Hyun

POLARIS LAW GROUP LLP

DocuSigned by:

William Marder

Dated: 10/18/2021

William L. Marder

BAKER & HOSTETLER LLP

Dated: October 20, 2021



Michael Chamberlin