

SETTLEMENT AND RELEASE

This Settlement and Release (hereinafter “Settlement” or “Agreement”) is made and entered into by and between Plaintiff JORA PANOSIAN (hereinafter “Plaintiff Panosian”) individually and on behalf of all allegedly aggrieved employees, on the one hand, and Defendant 5905 AHK, LLC, a California Limited Liability Company (hereinafter “Defendant”), on the other hand. Plaintiff and Defendant are collectively referred to herein as “the Parties.”

This Settlement shall be binding on Plaintiff, on the Aggrieved Employees (as defined below), on California’s state labor law enforcement agencies, and on Defendant and its present and former parent corporations, subsidiaries, divisions, related or affiliated corporations, associations, joint ventures, alleged employers or joint employers, stockholders, officers, directors, employees, partners, members, servants, representatives, agents, attorneys, insurers, re-insurers, predecessors and successors in interest, assigns, and any individual or entity which could be jointly liable with Defendants, including all other legal entities with whom Defendant has been, is now, or may hereafter be affiliated with, subject to the terms and conditions hereof and the approval of the Court.

I. NATURE OF ACTION

1. On January 6, 2021, Plaintiff Panosian sent the LWDA notice of his intent to pursue a representative action against Defendants 5905 AHK, LLC, a California Limited Liability Company, and Keyes Motors Inc., a California Corporation, pursuant to the Private Attorneys General Act of 2004 (“PAGA”), as codified in California Labor Code § 2698 *et seq.*, on behalf of himself and the State of California as well as on behalf of a group of allegedly aggrieved employees.

2. After a minimum of 65 days passed without a response from the LWDA to any of

Plaintiff Panosian's written notice to the LWDA listed *supra*, Plaintiff Panosian commenced a representative action under the PAGA for alleged Labor Code violations on behalf of himself and other allegedly aggrieved employees. Plaintiff alleged that Defendants 5905AHK, LLC and Keyes Motors, Inc. failed to provide employment records to the Aggrieved Employees; failed to provide minimum wages to Aggrieved Employees; failed to provide overtime and double time wages to Aggrieved Employees; failed to provide Aggrieved Employees legally compliant meal and rest periods; failed to pay Aggrieved Employees earned wages and all wages during employment; failed to pay Aggrieved Employees earned wages and all wages due at separation; failed to keep and provide accurate itemized wage statements to Aggrieved Employees; failed to provide Aggrieved Employees information required by the Wage Theft Prevention Act; failed to reimburse Aggrieved Employees necessary business-related expenses and costs; and failed to provide notice of paid sick time and accrual, and as a result of the foregoing, are liable for civil penalties under PAGA.

3. On August 24, 2021, Plaintiff Panosian dismissed Keyes Motors, Inc. from the Lawsuit.

II. REPRESENTATION AND DEFINITIONS

4. "Lawsuit" refers to the civil action filed by Plaintiff Panosian on March 25, 2021 entitled *JORA PANOSIAN, individually and on behalf of all other Aggrieved Employees, v. 5905 AHK, LLC, a California Limited Liability Company; KEYES MOTORS, INC., a California Corporation; and DOES 1 through 100, inclusive, Superior Court of the State of California for the County of Los Angeles, Case No. 21VECV00401*.

5. "PAGA Counsel" shall refer to Haig B. Kazandjian of HAIG B. KAZANDJIAN LAWYERS, APC.

6. “Counsel for Defendant” and “Defense Counsel” shall refer to Christopher C. Hoffman, Adam F. Sloustcher, Jamie L. Gross, and Steven D. Eheart of FISHER & PHILLIPS LLP.

7. “Covered Period” shall mean the period from January 6, 2020 through the Effective Date of this Agreement, unless the Escalator Clause provision is in effect.

8. “PAGA Representative” or “Plaintiff” shall refer to Named Plaintiff JORA PANOSIAN.

9. “Court” refers to the Superior Court of the State of California for The County of Los Angeles.

10. “Covered Claims” means any and all claims, rights, demands, liabilities, and causes of action brought or that could have been brought in the Lawsuit based on the factual allegations alleged therein, whether known or unknown, pursuant to Labor Code sections 2699, *et seq.*, for PAGA penalties only based on alleged violations of California Labor Code and applicable wage laws, including but not limited to: California Labor Code sections 201, 202, 203, 204, 206, 226(a), 226.7, 246, 510, 512(a), 558(a), 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 2800, 2802, and 2810.5, as well as any PAGA-based claims for unpaid wages (including minimum wages, sick pay, and overtime), PAGA-based claim for failure to provide legally compliant meal periods, PAGA-based claim for failure to provide legally compliant rest periods, PAGA-based claim for failure to provide compliant wage statements, PAGA-based claim for failure to provide notice required by the Wage Theft Prevention Act, PAGA-based claim for failure to timely pay wages, including all compensation owed at separation, PAGA-based claim for failure to maintain accurate records, PAGA-based claim for failure to pay accrued vacation at termination, PAGA-based claim for unlawful deduction of wages, PAGA-based claim for failure to pay rate required by statute or

contract, PAGA-based claim for failure to reimburse necessary business expenses, and any derivative claims for attorneys' fees, costs, or interest resulting therefrom, which Plaintiff and/or any of the Aggrieved Employees have or had during the Covered Period against any of the Releasees. Except as otherwise stated in Paragraphs 27(a) and 33(b) of this Agreement, this release does not extend to any individual or class claims of the Aggrieved Employees.

11. "Aggrieved Employees" shall mean all current and former non-exempt hourly paid individuals who were employed by Defendant within the state of California who worked one or more pay periods during the Covered Period. At mediation, Defendant represented that there were approximately 92 Aggrieved Employees. Should the number of Aggrieved Employees increase by more than 17.5%, or 109 employees, when the Claims Administrator receives the Employee list, Defendant may select one of two options: 1) pay only \$75,000 but end the Covered Period on the date the number of Aggrieved Employees increased to 110 employees or 2) increase the Amount of the PAGA Payment on a pro rata basis above the 17.5% threshold, or 109 employees. For example, if the total number of Aggrieved Employees increases by 20 employees, the Settlement Payment would be increased by 2.68% ($\text{number of employees over } 92 = 20 \div 92 = .2174$ (total number of employees $92 + 20 = 112$) = $.2174 \times \$75,000$), or \$16,305.00. If the total number of Aggrieved Employees increased by 30 employees, the Settlement Payment would be increased by 3.26% ($30 \div 92 = .3261$ (total number of employees $92 + 30 = 122$) = $.3261 \times \$75,000$), or \$24,457.50.

12. "Eligible Pay Periods" shall mean the total number of pay periods that Aggrieved Employees worked during the Covered Period.

13. "Settlement" shall mean this Settlement and Release Agreement.

14. "Effective Date" means the date the Court enters the order approving the settlement of the PAGA penalties as described in this Agreement.

15. “Releasees” shall mean Defendant and its present and former parent corporations, subsidiaries, divisions, related or affiliated corporations, associations, joint ventures, alleged employers or joint employers, stockholders, officers, directors, employees, partners, members, servants, representatives, agents, attorneys, insurers, re-insurers, predecessors and successors in interest, assigns, and any individual or entity which could be jointly liable with Defendant, including all other legal entities with whom Defendant has been, is now, or may hereafter be affiliated with.

16. After the case was at issue, the Parties engaged in discovery and began to engage in informal, arm’s length settlement discussions. Through the exchange of information and attendant discussions between the Parties, Plaintiff learned that the number of Aggrieved Employees is approximately 92 (including Plaintiff Panosian).

17. PAGA Counsel considered the following facts and arguments in determining that the Settlement was fair and reasonable:

a. Defendant’s Legal Defenses:

- i. Defendant has cited case law for the proposition that PAGA is not applicable to the nature of violations alleged here.
- ii. Defendant also argued that Plaintiff is not an “aggrieved employee” with standing to sue.
- iii. Defendant also argued that Plaintiff’s PAGA claims are unmanageable and would be dismissed on that basis.

b. Defendant’s Factual Defenses:

- i. Defendant argued that there were no violations. Defendant argued that it had compliant wage and hour policies. Defendant also argued it had no knowledge of any off the clock work. Defendant further argued that to the extent any meal or rest breaks were short or late

or not taken at all, it was based on the employee's voluntary choice and there was no violation. Defendant also noted that Plaintiff and all Aggrieved Employees were fully paid for all time taken during their meal periods even though that was not required by law.

- ii. In accordance with the PAGA (Labor Code § 2699(e)(1) and (e)(2)), the court in a PAGA action has the same discretion “to assess a civil penalty” that the Labor Commissioner would have, as well as complete discretion to “award a lesser amount than the maximum civil penalty amount specified [by PAGA] if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Defendant argued the PAGA penalties should be reduced based on Defendant's good faith efforts to comply with wage and hour laws. Defendant also argued that after receiving notice of Plaintiff's allegations, Defendant improved the monitoring of rest breaks and meal periods, factors that could mitigate in favor of reducing PAGA penalties.
- c. Defendant further produced copies of its timekeeping, overtime, reimbursement, meal and rest period policies as well as a sampling of time and payroll records for purposes of settlement. Defendant argued that the time and payroll records demonstrated that Defendant generally complied with meal period laws. Moreover, Defendant argued Defendant was not obligated to police breaks to ensure they were taken under California law (See *Brinker*) and that any potential meal or rest period violations would be subject to the affirmative defense of waiver.

18. Consequently, while PAGA Counsel disagreed with Defendant's legal analysis above, PAGA Counsel anticipated that, at trial, Defendant could make a potentially

persuasive argument that the Court could exercise its discretion under PAGA to significantly reduce or altogether waive any penalties under PAGA. In consideration of the foregoing facts and arguments and how they might impact any judgment ultimately awarded to Aggrieved Employees if the Court was persuaded by them, PAGA counsel determined that the Settlement was fair and reasonable.

19. The Parties recognize that the issues presented in the Lawsuit are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. The Parties have considered the risk and uncertainty of the outcome inherent in any litigation.

20. Plaintiff Panosian and PAGA Counsel contend that they have diligently pursued an investigation of the Aggrieved Employees' claims against Defendant through formal and informal discovery.

21. Based on their own independent investigations and evaluations, Plaintiff and his counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interests of the Plaintiff and the Aggrieved Employees, in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, PAGA Counsel believes that the settlement amount entered into is in the best interests of the Aggrieved Employees and that the settlement for each Aggrieved Employee is fair, reasonable, and adequate, given the inherent risk of litigation and the remedial steps Defendant alleges.

22. The purpose of this Settlement is to settle and compromise the Lawsuit and all Covered Claims that Plaintiff Panosian and the Aggrieved Employees have or may have against Defendant and the Releasees based on the factual allegations alleged in the Lawsuit.

23. Defendant denies, and continues to deny, each and every claim and contention alleged in the Lawsuit and has always maintained that Defendant never engaged in any unlawful acts regarding any of the matters alleged in the Lawsuit.

24. Neither the existence of this Settlement nor anything contained in this Settlement shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Nothing herein shall constitute an admission by Defendant that the Lawsuit was properly brought as a representative action other than for settlement purposes. Settlement of the Lawsuit, the negotiation and execution of this Settlement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement or the settlement of the Lawsuit: (a) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of either Defendant or of the truth of any of the factual allegations in the operative Complaint in the Lawsuit; (b) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omissions on the part of Defendant in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; (c) are not, shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification, or administration other than for purposes of administering this Settlement; and (d) shall not constitute or be deemed a waiver of any right to compel arbitration of any dispute with an Aggrieved Employee that is not the subject of the releases detailed in this Settlement. Notwithstanding the foregoing, this Settlement may be used in any Court proceeding 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.

25. The Parties agree that upon full execution of this Settlement, the matter is stayed in its entirety except for any filings and/or motion work necessary to attain Court approval

of the Settlement. Should the Court not grant approval of the Motion For Approval of PAGA Representative Action Settlement, or of the Stipulation For Approval Of The PAGA Representative Action Settlement, the stay will be lifted five (5) business days thereafter and the Parties will be restored to their positions prior to the Settlement and the Settlement shall be null and void.

III. TERMS OF SETTLEMENT

26. In consideration of the mutual covenants, promises and representations set forth in this Settlement, Plaintiff, on behalf of himself and the Aggrieved Employees, agrees to settle and compromise the Lawsuit and the Covered Claims, subject to the terms and conditions set forth in this Settlement.

27. The Amount of the PAGA Settlement: As consideration for the settlement described herein and the release contained in this Settlement, Defendant agrees to pay a total settlement amount of \$75,000.00 (“Settlement Payment”), which is due from Defendant within thirty (30) days after the Court’s approval of the Settlement Agreement. The Settlement Payment will be allocated as follows:

- (a) \$7,500.00 to Plaintiff JORA PANOSIAN, allocated for resolution of his individual claims and his execution of a general release (the “Enhancement Payment”) subject to Court Approval;
- (b) PAGA Counsel’s attorney fees in the amount of \$30,000.00 subject to Court Approval;
- (c) PAGA Counsel’s request for cost reimbursements in the amount up to \$9,000.00 subject to Court Approval;
- (d) Administrative costs, for an amount not exceeding \$3,000.00, to distribute monies to Aggrieved Employees;
- (e) the remainder of the Settlement Payment in the amount after

deducting the items (a), (b), (c) and (d) herein shall be designated as PAGA Penalties to be allocated 75% to the LWDA and the remaining 25% to the Aggrieved Employees pursuant to Labor Code section 2699(i) as outlined below.

28. Allocation and Calculation of the PAGA Penalties: Each Aggrieved Employee shall receive a portion of the PAGA Penalties on a pro-rata basis. The anticipated total PAGA Penalty Fund will be \$25,500.00. Seventy-Five percent (75%) of the PAGA Penalty Fund (\$19,125.00) will be paid to the LWDA as required by Labor Code section 2699(i). The remaining Twenty-Five percent (25%) of the PAGA Penalty Fund (\$6,375.00) will be distributed to Aggrieved Employees on a pro-rata basis based on the formula set forth below. Each Aggrieved Employee's pro-rata share of the PAGA Penalty Fund represents their "Individual Settlement Payment."

(a) Individual Settlement Calculation. The Aggrieved Employees shall receive a pro rata share of the PAGA Penalty Fund allocated to Aggrieved Employees (\$6,375.00). Each Aggrieved Employee shall receive a pro rata value equal to the ratio of (a) the number of Eligible Pay Periods worked by that employee to (b) the total number of Eligible Pay Periods worked by all employees included in the Aggrieved Employee group. All Individual Settlement Payments made to Aggrieved Employees will be reported on an IRS Form 1099.

(b) Fair Formula. The Parties recognize and agree that the precise value of each Aggrieved Employee's Individual Settlement Payment is subject to a variety of differing calculations and formulas. The Parties hereby agree that the formula for allocating payments as provided herein is reasonable and designed to provide a fair settlement to the Aggrieved Employees.

29. PAGA Counsel's Fees and Costs: As part of the request for approval of

this Settlement, PAGA Counsel will request Court approval of forty percent (40%) of the Settlement Payment, which is \$30,000.00 in attorneys' fees. PAGA Counsel will request cost reimbursement in the amount up to \$9,000.00 for costs incurred by PAGA Counsel. If the Court approves a lesser amount for attorneys' fees and/or costs, the difference shall be allocated to the PAGA Penalty Fund and distributed pro rata accordingly and the other terms of the Agreement will remain in effect. Any attorneys' fees and costs awarded to PAGA Counsel, hereinafter referred to as "PAGA Counsel Fees & Costs," shall fully compensate and reimburse PAGA Counsel for any and all of the work already performed in connection with the litigation of Covered Claims and all work remaining to be performed in fully and finally resolving the litigation of Covered Claims, including but not limited to securing Court approval of the settlement, appearing at hearings, making sure that the settlement is fairly and properly administered, appearing at any post-approval matter, all other work that PAGA Counsel has performed or will perform, and all costs that PAGA Counsel has incurred or will incur. Defendant agrees not to oppose the PAGA Counsel Fees & Costs in the amounts listed herein, or in lesser amounts. No Aggrieved Employee (including, but not limited to, Plaintiff) or Plaintiff's Counsel or any other attorney acting for any Aggrieved Employee may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the Settlement Amount in relation to the subject matter of this Agreement except as expressly provided herein.

30. Tax Treatment of Settlement Amounts: With regard to Individual Settlement Payments to Aggrieved Employees and Plaintiff, 100% will of the payments will be attributed as penalties and interest paid via IRS Form 1099 issued to each Aggrieved Employee. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff acknowledges that he has obtained no tax advice from Defendant and that neither Defendant nor its attorneys have made any representation concerning the tax consequences, if any, of the Settlement Amount in this Agreement or any payment to be made pursuant to this Agreement. To the extent that this Settlement or any of its attachments is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is

not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendant is not responsible for any employee tax obligations regarding the allocation of the settlement payments. Payment of PAGA Counsel Fees & Costs will be reflected in a Form 1099 to PAGA Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

IV. RELEASE

31. Release of All Claims:

(a) Release of All Claims by All Aggrieved Employees. Upon the approval by the Court and non-objection by the LWDA of this Settlement, each Aggrieved Employee (including Plaintiff Panosian), shall, for the Covered Period, fully release and forever discharge Defendant and Releasees from any and all PAGA penalty claims for the time period of January 6, 2020 through the Effective Date as defined herein. The Parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the Settlement. Except for Plaintiff Panosian, this Settlement shall not have any impact on any of the Aggrieved Employees' individual non-PAGA claims.

(b) General Release of All Claims by Plaintiff Panosian. Except as otherwise provided herein, in exchange for the consideration described herein, Plaintiff, on his own behalf and on behalf of his descendants, dependents, heirs, executors, administrators, agents, assigns, and successors (collectively, "Plaintiff's Releasers"), hereby covenants not to sue and fully and unconditionally forever releases and discharges Defendant and Releasees from and against any and all claims, causes of action, judgments, liens, demands, damages, obligations, suits, contracts, liabilities, losses, costs, and expenses, including, but not limited to, attorneys' fees and disbursements, or offsets of any nature whatsoever (collectively, "Claims") that Plaintiff's Releasers now have, have had, or may hereafter have against Defendant and/or Releasees arising out of the Parties' relationship and/or the cessation of this relationship, including but not limited to those claims arising out of or relating to (i) Plaintiff's performance and reputation; (ii) harassment; (iii) discrimination; (iv) retaliation; (v) rights arising out of alleged violations of any

contracts, express or implied; (vi) any covenant of good faith and fair dealing, express or implied; (vii) any tort; (viii) any legal restrictions on Defendant's right to terminate employees; and (ix) any Claims arising under any federal, state or other governmental statute, regulation or ordinance, including, without limitation: Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Federal Rehabilitation Act, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Family and Medical Leave Act, the Fair Labor Standards Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code, Industrial Welfare Commission Wage Orders, California Business and Professions Code, §§ 17200 et seq., Genetic Information Nondiscrimination Act, Uniformed Services Employment and Reemployment Rights Act, Lilly Ledbetter Fair Pay Act of 2009, Equal Pay Act, as amended, 29 USC Section 206(d), Immigration Reform and Control Act, California Occupational Safety and Health Act, the California Constitution, and any other applicable state, federal, or local law which took place prior and up to and including the Effective Date. Except for any rights created by this Agreement, this General Release is intended to be interpreted as broadly as possible and to apply to any and all claims known and unknown available to Plaintiff Panosian in any forum, including, but not limited to, any claims for unpaid wages, expense reimbursement, unpaid penalties or premiums, liquidated damages, class or representative actions governing employment (to the fullest extent allowed by applicable law), constructive termination, negligent or intentional infliction of emotional distress, harassment, discrimination, wrongful termination, negligent or intentional infliction of emotional distress, harassment, discrimination, wrongful termination, negligence, breach of contract, breach of the covenant of good faith and fair dealing, promissory estoppel, fraud, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, personal injury, assault, battery, invasion of privacy, false imprisonment, conversion, disability benefits, claims under Labor Code section 132(a) or 4553, violation of any provision of federal or state law governing employment,

and any claim for attorneys' fees or costs. All such claims are forever barred and by this Agreement and Plaintiff Panosian acknowledges his familiarity with California Civil Code § 1542 and that he expressly waives all rights and benefits afforded by § 1542. California Civil Code § 1542 reads as follows:

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.

Notwithstanding the above or anything else in this Agreement, this waiver and release does not apply to: (i) those rights as a matter of law that cannot be waived, including, but not limited to, workers' compensation claims, (ii) rights or claims arising out of this Agreement after the date this Agreement is executed by Plaintiff, and (iii) rights or claims arising out of this Agreement. The Agreement in no way affects Plaintiff's entitlement or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation.

V. APPROVAL STIPULATION

32. The Parties recognize that in accordance with Labor Code Section 2699(I) Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court* (2009) 46 Cal.4th 969, the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. Instead, in order to comply with the requirements of Labor Code Section 2699(I), the Parties shall submit a joint stipulation, or if the Court rejects the joint stipulation, then a motion to the Court, identifying the key terms of this Settlement and Release agreement and requesting that the Court approve the amount of PAGA penalties provided for in the Settlement ("Approval Stipulation"). The Settlement is contingent upon the approval by the Court. If the Court should fail to approve this

Settlement in the form agreed to by the Parties, the Parties agree to coordinate good faith efforts to address the Court's questions or concerns and resubmit the Approval Stipulation or motion. If, after the Parties are unable to obtain approval of the terms of the Settlement, or (b) the Court's approval of this Settlement is reversed, modified, or declared or rendered void, then (i) this Settlement shall be considered null and void; (ii) neither this Settlement nor any of the related negotiations or proceedings shall have any force or effect; and (iii) all Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Settlement, except for the amount of attorneys' fees and costs, Enhancement Payment, or administrative costs, shall invalidate this Settlement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

VI. ADMINISTERING THE SETTLEMENT

33. Subject to the Court approval of this Settlement, the Settlement Payment shall be paid as follows:

34. PAGA Counsel shall provide timely notice to the LWDA of the Settlement.

35. Defendant will fund the settlement administrator a total of \$75,000.00 ("Settlement Payment"), thirty (30) days after the Court approves the Stipulation for Settlement of this PAGA action.

36. No later than fifteen (15) business days after the Effective Date, Defendant shall provide the settlement administrator a list of Aggrieved Employees ("Aggrieved Employee List") containing the (1) name; (2) last known mailing address; (3) the Aggrieved Employee's social security number; and (4) the number of pay periods for each Aggrieved Employee during the Covered Period. Neither the Aggrieved Employee List nor any information contained therein shall be distributed to PAGA Counsel at any time, and access to the list shall be limited to those with a need to use the list as part of the administration of the Settlement Payment. The settlement administrator will distribute the checks to the Aggrieved Employees, at a cost not exceeding \$3,000.00, which shall come exclusively from the Settlement Payment which reduces the

available PAGA Penalty Fund.

37. Within ten (10) business days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for Defense Counsel an anonymized spreadsheet containing the estimated individual settlement payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from Defense Counsel of the calculations before mailing Individual PAGA Payments. Defendant expressly reserves the right to object to payment to any Aggrieved Employee who has separately settled or waived any Covered Claims.

38. Provided there is no objection by the LWDA as to any material term of the Settlement Agreement prior to Court Approval of this Settlement and within five (5) business days of receiving approval from Defense Counsel of the payment calculations, the settlement administrator will cause payment to be delivered as follows: (a) Court-approved Enhancement Payment to Plaintiff Panosian as an incentive award and in exchange for a general release; (b) Court-approved attorneys' fees and costs to PAGA Counsel; (c) and Court-approved administration costs to the settlement administrator.

39. Within five (5) calendar days of receiving approval from Defense Counsel of the payment calculations, provided there is no objection by the LWDA as to any material term of the Settlement Agreement prior to Court Approval, the settlement administrator will cause payment of checks to the LWDA for penalties, and for all Aggrieved Employees in the Aggrieved Employee List as set forth above. Concurrently with sending each Aggrieved Employee their share of the Settlement Amount, the Claims Administrator will include a "Notice of PAGA Action Settlement" (attached hereto as Exhibit A) along with each Aggrieved Employee's check. The settlement administrator shall send each Aggrieved Employee their check via U.S. First Class mail to each Aggrieved Employee's address with directions to the Postmaster to return all undeliverable mail to the settlement administrator. For each returned check/notice that is returned as undeliverable, the settlement administrator shall promptly attempt to locate the Aggrieved Employees by using an address refresher database.

40. Settlement checks shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance. If there are uncashed checks following this period, the settlement administrator will send the uncashed funds to the State of California Department of Industrial Relations Unclaimed Wages Fund in the name of the Aggrieved Employee who did not cash his or her check.

41. Defendant fully discharges its obligations to those Aggrieved Employees who receive an Individual Settlement Payment through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees.

42. Within fifteen (15) business days of receiving approval from Defense Counsel of the payment calculations, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement.

VII. DUTIES OF THE PARTIES PRIOR TO APPROVAL

43. Promptly upon execution of this Settlement, the Parties shall jointly apply to the Court for an Order seeking Approval of the PAGA Representative Action Settlement via Stipulation. If the Court requires a motion, then Plaintiff shall file an unopposed Motion for Approval of PAGA Representative Action Settlement. In addition, Counsel for Plaintiff shall be responsible for providing timely notice of the settlement to the LWDA in accordance Labor Code section 2699(1)(2).

44. The motion for approval, and/or the stipulation for an order will request Court approval of the following:

- a. The amount of PAGA Penalties;
- b. Dismissal of the entire Lawsuit with prejudice; and
- c. Waiver of all rights to appeal; and
- d. The Enhancement Payment; and
- e. The PAGA Counsel Attorney fees and costs; and
- f. The Claim Administration costs.

45. In conjunction with the motion for approval, and/or the stipulation for an order,

the Parties will submit a proposed order requesting approval of the items provided in paragraph 27 above.

VIII. PARTIES' AUTHORITY

46. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement and bind the Parties hereto to the terms and conditions hereof.

IX. MUTUAL FULL COOPERATION

47. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein. As soon as practicable after execution of this Settlement, PAGA Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the approval of this Settlement from the Court.

X. NO PRIOR ASSIGNMENTS

48. The Parties hereto 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 rights herein released and discharged except as set forth herein. None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, PAGA Counsel (which includes Plaintiff's Counsel), or Defense Counsel without the express written consent of each other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person, except as expressly stated in this Agreement.

XI. NO ADMISSION

49. Nothing contained herein nor is the consummation of this Settlement to be

construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any Releasees. Each of the Parties hereto has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expense. Defendant denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, or that it has any liability to anyone under the claims asserted in the Lawsuit. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendant or Releasees.

XII. NON-EVIDENTIARY USE

50. Whether or not the Effective Date occurs, neither this Agreement nor any of its terms nor the Settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any Releasees, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Releasees of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Releasees in any further proceeding in the Lawsuit, or any other civil, criminal, or administrative action or proceeding except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that an Aggrieved Employee has resolved any of his/her claims released through this Agreement.

XIII. NULLIFICATION

51. If (a) the LWDA objects or (b) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties (except for the amount of attorneys' fees or costs, Plaintiff Panosian's Enhancement Payment, or the cost of the settlement administrator), or (c) the Court's approval of this Settlement is reversed, modified, or declared or rendered void, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for

the amount of attorneys' fees and costs, Plaintiff Panosian's Enhancement Payment, or the cost of the settlement administrator, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Any stay previously agreed upon will be lifted five (5) days thereafter and the Parties will be restored to their positions prior to the Settlement and the Settlement shall be null and void.

XIV. ATTORNEYS' FEES, COSTS AND EXPENSES

52. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by him/her/it arising out of the Lawsuit, and shall not seek reimbursement thereof from any other party to this Agreement.

XV. CONSTRUCTION

53. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff (on behalf of himself and all other Aggrieved Employees) and Defendant regarding actual or potential claims asserted by Plaintiff against Releasees. Excluding any arbitration, class action waiver or confidentiality agreement executed by Plaintiff or any Aggrieved Employee with Defendant, all of which will remain in full force and effect, this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding those claims or potential claims and the resolution of those claims. Consequently, no other agreement, statement, or promise made by one Party to another as to any matter addressed in this Agreement shall be binding or valid.

XVI. CAPTIONS AND INTERPRETATIONS

54. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

XVII. MODIFICATION

55. This Settlement may not be amended, changed, altered, or modified, except in

writing and signed by the Parties (or their successors-in-interest) hereto. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XIVIII. MISCELLANEOUS

56. Except as otherwise expressly set forth in this Agreement, this Settlement contains the entire Agreement between the Parties relating to the Settlement of the Covered Claims and Plaintiff's Released Claims, 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. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Settlement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Settlement, or with respect to any such matters that would alter or change the terms of this Settlement. No representations, warranties, or inducements have been made to any party concerning this Settlement other than those expressly set forth or referred to herein.

57. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns. This Settlement shall be binding on all Aggrieved Employees and the State of California who will be barred from relitigating the claims released in this Settlement.

58. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media or otherwise publicize the Settlement or communicate its terms (including the amount) in public or in private, other than as necessary to obtain Court approval of this Settlement and/or unless otherwise ordered by the Court or required by law. The Parties and Plaintiff's Counsel agree that they will not initiate or have contact with the press, respond to any press inquiry, or have any

communication with the press about the Action. Notwithstanding the above, Plaintiff's Counsel may reference the Action by name and case number in any future declaration submitted to a court.

59. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Lawsuit, and have arrived at this Settlement after arms-length negotiations by experienced counsel and with the assistance of an experienced mediator. 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. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full. Plaintiff further acknowledges that he has read this Settlement, that he fully understands his rights, privileges and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges that he had the opportunity to consult with his attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

60. This Settlement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which shall be binding upon and effective as to all Parties. The counterparts may be transmitted electronically (PDF) or by facsimile.

61. This Settlement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of Los Angeles.

62. Before declaring any provision of this Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable

precedents, so as to define all provisions of this Settlement valid and enforceable.

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

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

65. The Parties have cooperated in the negotiation and preparation of this Settlement. This Settlement shall not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Settlement. This Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

66. The Los Angeles County Superior Court shall retain jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Aggrieved Employees, to the fullest extent to enforce and effectuate the terms and intent of this Settlement.

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

68. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement 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 under California Code of Civil Procedure section 664.6 and any other applicable statute or law, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

69. This Settlement shall not be subject to collateral attack by any Aggrieved Employee. Such prohibited collateral attack shall include, but not be limited to, claims that the Aggrieved Employee failed, for any reason, to timely receive his or her Individual Settlement Payment.

THE PARTIES HAVE READ THE FOREGOING AGREEMENT. THEY HAVE CONSULTED WITH LEGAL COUNSEL REGARDING THE FOREGOING AGREEMENT AND KNOW THE CONTENTS THEREOF AND SIGN THE SAME AS THEIR FREE, KNOWING, AND VOLUNTARY ACT AND DEED, BEING FULLY AWARE OF ITS CONSEQUENCES AND ITS FINAL AND BINDING EFFECT.

IN WITNESS THEREOF, the Parties have executed this Settlement Agreement, and Plaintiff's Release on the dates set forth below.

APPROVED, AGREED, and ACCEPTED:

DATED: 05 / 17 / 2022



JORA PANOSIAN, Plaintiff, individually and on behalf of all other Aggrieved Employees

DATED: 5/31/2022

5905 AHK, LLC, a California limited liability company


Mollie Heitzig

APPROVED AS TO FORM ONLY:

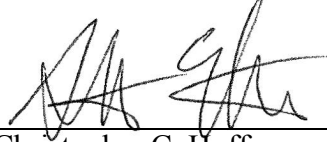
DATED: 6/1/2022

HAIG B. KAZANDJIAN LAWYERS, APC

By: */s/ Haig B. Kazandjian*
Haig B. Kazandjian, Esq.
Attorney for Plaintiff, JORA PANOSIAN,
individually and on behalf of all other
Aggrieved Employees

DATED: 6/1/2022

FISHER & PHILLIPS LLP

By: 
Christopher C. Hoffman
Adam F. Sloustcher
Jamie L. Gross
Steven D. Eheart
Attorneys for Defendant 5905 AHK, LLC, a
California Limited Liability Company