

PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 ET SEQ.)
SETTLEMENT AGREEMENT

Subject to the approval of the Court, this Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiffs **Carlos Pacheco and Samuel Gallardo**, acting in a private attorney general capacity, on behalf of the State of California on behalf of themselves and all PAGA Settlement Employees, and Defendants **Crash Champions, LLC, Prestige Too Auto Body, LLC, Pacific Elite, LLC, and Fountain Valley Body Works, Inc.** (collectively, the “Parties”).

I. DEFINITIONS

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

1. “Action” means the matter entitled *Pacheco, et al. v. Crash Champions, LLC, et al.* pending in Superior Court of the State of California, Los Angeles County, Case No. 21STCV19705.
2. “Complaint” means the operative pleading filed in the Action.
3. “Defendants” means Crash Champions, LLC, Prestige Too Auto Body, LLC, Pacific Elite, LLC, and Fountain Valley Body Works, Inc., and includes any of their past, present, and future officers, directors, employees, agents, board members, shareholders, attorneys, insurers, reinsurers, partners, investors, members, representatives, predecessors, parent companies, subsidiaries, affiliates, divisions, successors, agents, and principals, and their heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns.
4. “Effective Date” of the Settlement means the date upon which the Court enters the order approving this Settlement.
5. “Gross Settlement Amount” is the sum of Four Hundred and Eighty Thousand Dollars and Zero Cents (\$465,00.00), which represents the total amount payable by Defendants under this Settlement Agreement for the release of the Released Claims and includes payments to all PAGA Settlement Employees, payment to the LWDA, payment of Plaintiffs’ attorneys’ fees and costs, payment to the Settlement Administrator, and payment to Plaintiffs for Plaintiffs’ Service Awards, but not for Plaintiffs’ General Release Payments, which will be paid separately from the Gross Settlement Amount.
6. “Individual PAGA Payment” means the pro rata amount to be paid to each PAGA Settlement Employee from the twenty-five percent (25%) portion of the PAGA Payment; such individual share to be based on the number of pay periods during which a PAGA Settlement Employee worked for Defendants during the PAGA Period.
7. “LWDA” means the California Labor and Workforce Development Agency.
8. “LWDA Letter” means the letter Samuel Gallardo submitted to the LWDA on March 16, 2021 (LWDA case number: LWDA-CM-826013-21) and the letter Carlos Pacheco submitted to the LWDA on March 16, 2021 (LWDA case number: LWDA-CM-826008-21).

9. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and PAGA Settlement Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiffs’ Attorneys’ Fees of up to One Hundred and Fifty-Five Thousand Dollars and Zero Cents (\$155,000.00) and (b) Plaintiffs’ Costs up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00); (c) Plaintiffs’ Service Awards up to Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) each (together totaling Five Thousand Dollars and Zero Cents (\$5,000.00) total); and (d) PAGA Settlement Administration costs currently estimated at Five Thousand Dollars and Zero Cents (\$5,000.00).

10. “Parties” means Plaintiffs and Defendants.

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

12. “PAGA Period” means the time period from March 16, 2020 through the Effective Date. As of the execution of this Settlement Agreement, Defendants estimate there are approximately 19,380 eligible pay periods worked during the PAGA Period by approximately 273 PAGA Settlement Employees.

13. “PAGA Representative Counsel” means David Yeremian & Associates, Inc. located at 2540 Foothill Blvd., Suite 201, La Crescenta, California 91214, and Capstone Law APC located at 1875 Century Park East, Suite 1000, Los Angeles, California 90067.

14. “PAGA Settlement Employee” or “PAGA Settlement Employees” means and includes any and all current and former non-exempt employees who worked for Crash Champions, LLC, Prestige Too Auto Body, LLC, or Pacific Elite, LLC in the State of California during the PAGA Period.

15. “Plaintiffs” means Carlos Pacheco and Samuel Gallardo.

16. Plaintiffs’ Service Awards: In recognition of their efforts and work in prosecuting the Action, Defendants will not oppose service awards in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) (“Service Award”) to each of the Plaintiffs (together totaling Five Thousand Dollars (\$5,000.00)) to be approved by the Court.

17. Plaintiffs’ General Release Payments: In consideration for their general release of all claims against Defendants arising out of their employment, Defendants agree to pay separately from the Gross Settlement Amount the sum of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to each of the Plaintiffs (together totaling Fifteen Thousand Dollars and Zero Cents (\$15,000.00)) (“General Release Payments”) separate and apart from any Service Award approved by the Court.

18. “PAGA Payment” means the Net Settlement Amount of which seventy-five percent (75%) will be paid to the LWDA, and of which twenty-five percent (25%) will be paid to PAGA Settlement Employees.

19. “QSF” means qualified settlement fund.

20. “Released Claims” means all claims, rights, demands, liabilities, and causes of action, for PAGA civil penalties arising from, or reasonably related to, the claims which were asserted in the Action and Complaint under PAGA based on facts alleged in the operative Complaint in the Action and LWDA Letter, including a PAGA claim against Defendants for civil penalties on behalf of Plaintiff and the LWDA based on the following underlying Labor Code violations: 201, 202, 203, 204, 206.5, 222.5, 226, 226.7, 510, 512, 516, 1174, 1182.12, 1194, 1197, 1197.1, 1198, 2802, 2699, *et seq.*, violation of any Industrial Welfare Commission Order, and any other claims asserted in the Action and operative Complaint.

21. “Released Parties” means Defendants and their past, present, and future officers, directors, employees, board members, shareholders, attorneys, insurers, reinsurers, customers, partners, investors, members, representatives, predecessors, franchisors, parent companies, subsidiaries, affiliates, divisions, successors, agents, and principals, and their heirs, estates, executors, administrators, servants, insurers, attorneys, assigns, and any individual or entity that could be jointly liable with Defendants.

22. “Settlement Administrator” means CPT Group, Inc.

23. “PAGA Settlement Administration Costs” means the cost, currently estimated at Five Thousand Dollars (\$5,000), to be paid to the Settlement Administrator for administering the Settlement, including sending checks and Settlement Notices to the PAGA Settlement Employees.

24. “Settlement Notice” means an explanatory letter similar to that attached hereto as Exhibit A to be sent by Settlement Administrator to PAGA Settlement Employees.

II. RECITALS

1. Plaintiffs were non-exempt employees who worked for Defendants during the PAGA Period.

2. On March 16, 2021, Plaintiffs each provided written notice to the LWDA and Defendants pursuant to Labor Code section 2699.3 of *inter alia* alleged violations of the California Labor Code and Industrial Welfare Commission Orders.

3. On May 25, 2021, Plaintiffs filed the Action under the PAGA with the Court on behalf of the State of California and other aggrieved employees alleging multiple violations of the California Labor Code and Industrial Welfare Commission Wage Orders by Defendants.

4. The Parties have each independently analyzed and investigated the facts and law relevant to this case through informal discovery, including, but not limited to, the employment policies, procedures, and practices implicated by the Complaint and/or the LWDA Letter; a sampling of timekeeping records, payroll records, and wage statements relating to Plaintiffs and other non-exempt employees on whose behalf the Complaint and/or the LWDA Letter PAGA Representative Claims are asserted; and summaries of data pertaining to the number of employees allegedly affected by the policies, procedures, and practices implicated by the Complaint and/or the LWDA Letter.

5. After evaluating the strengths and weaknesses of their respective positions, after considering the time, expense, and risk associated with litigating this case to judgment, and after

engaging in arm's-length settlement negotiations through informed counsel, the Parties agreed to fully and finally, and exclusively, resolve the Released Claims as to Plaintiffs and the PAGA Settlement Employees, subject to Court approval.

6. This Settlement contemplates the entry of an Order by the Court approving the payment allocated for settlement of PAGA penalties to Plaintiffs and PAGA Settlement Employees, and the dismissal with prejudice of the Action.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiffs that their claims do not have merit or by Defendants of any liability or wrongdoing as to Plaintiffs, PAGA Settlement Employees or any other person, and Defendants specifically disclaim any such liability or wrongdoing. Defendants specifically disclaim any liability to Plaintiffs or any other allegedly aggrieved employee for any alleged violation of his/her/their rights, or for any alleged violation of any order, law, statute, duty or contract. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendants shall pay Four Hundred and Sixty-Five Thousand Dollars and Zero Cents (\$465,000.00) as the Gross Settlement Amount. With the exception of Plaintiffs' General Release Payments, Defendants will not pay more than the Gross Settlement Amount. The number of PAGA Settlement Employees during the PAGA Period are anticipated to be approximately 273 with 19,800 pay periods; if the number of pay periods through the Effective Date increases by more than ten percent (10%), Defendants will have the option to either increase the Gross Settlement Amount in proportion to any such change over ten percent or change the cutoff date for PAGA Settlement Employees to an earlier date. Defendants shall distribute the Gross Settlement Amount to the Settlement Administrator within thirty (30) business days after the Effective Date.

3. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to be distributed to the LWDA and PAGA Settlement Employees hereinafter referred to as the ("PAGA Payment"):

a. **Plaintiffs' Attorneys' Fees and Costs.** Defendants will not oppose Plaintiffs' request for Plaintiffs' Attorneys' Fees of up to One Hundred and Fifty-Five Thousand Dollars (\$155,000.00) and Plaintiffs' Costs up to Fifteen Thousand Dollars (\$15,000.00) incurred in prosecuting this Action. In the event the Court approves a payment of less than the amount of fees and costs requested by Plaintiffs, the difference will be added to the PAGA Payment.

b. **Administration Cost.** Defendants will not oppose the Settlement Administrator's costs, currently estimated at Five Thousand Dollars (\$5,000), for administering

the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the PAGA Payment.

c. **Plaintiffs' Service Award Payments:** Defendants will not oppose a request for service payment to each of the Plaintiffs in an amount up to Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) (together totaling Five Thousand Dollars and Zero Cents (\$5,000.00)) in recognition of their efforts and work in prosecuting this Action. In the event the Court approves a payment of less than this amount, the difference will be added to the PAGA Payment.

4. **PAGA Payment.** A portion of the PAGA Payment will be allocated to the LWDA and the remainder will be allocated to PAGA Settlement Employees in settlement of the Released Claims. The PAGA Payment will be subject to Court approval consistent with California Labor Code section 2699.3(b)(4). Upon approval, the PAGA Payment shall be allocated as follows:

a. Seventy-five percent (75%) will be paid to the LWDA, as required by California Labor Code section 2699(i).

b. Twenty-five percent (25%) will be divided on a pro rata basis among PAGA Settlement Employees and distributed by the Settlement Administrator in Individual PAGA Payments, as required by California Labor Code section 2699(i).

c. The payments will be reported on IRS Forms 1099 issued to the LWDA and each PAGA Settlement Employee. The Settlement Administrator will be responsible for issuing to PAGA Settlement Employees and PAGA Representative Counsel any 1099 or other tax forms as may be required by law for all amounts paid pursuant to this Settlement.

5. **Representative PAGA Release.** As of the Effective Date, all PAGA Settlement Employees and the State of California, in consideration of the PAGA Payment, shall be bound by this Agreement and shall have recourse exclusively to the benefits, rights, and remedies provided hereunder. Plaintiffs, PAGA Settlement Employees, and the State of California shall be deemed to have, and by operation of the Order granting approval of the payment of the PAGA Payment as described in this Agreement, fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from the Released Claims through the Effective Date.

6. **Released Claims.** Upon the Effective Date, Plaintiffs and all PAGA Settlement Employees and the LWDA will be forever barred from pursuing any and all Released Claims. The LWDA or PAGA Settlement Employees may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, the LWDA and PAGA Settlement Employees shall be deemed to have, and by operation of the Court's Order approving Settlement shall have, fully, finally, and forever settled and released any and all of the Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. The LWDA and PAGA Settlement Employees may not sue or otherwise make a claim seeking recovery for any of the Released Claims against any of the Released Parties. It is the intent of the Parties that the Settlement approval order entered by the Court shall have full res judicata effect and be final and binding upon the LWDA and PAGA Settlement Employees regarding the Released Claims. In light of the binding nature of a PAGA

judgment on non-party employees pursuant to *Arias v. Sup. Ct. (Angelo Dairy)*, 46 Cal.4th 969 (2009) and *Cardenas v. McLane Foodservice, Inc.*, 796 F.Supp.2d 1246 (2011), PAGA Settlement Employees shall be deemed to have released the Released Claims regardless if the check is cashed or not.

7. **Filing of Request for Approval of PAGA Settlement by Plaintiffs' Counsel.**

The Parties will cooperate in obtaining through an unopposed or joint motion/stipulation, an order from the Court approving the terms of this Agreement at the earliest possible date following the execution of this Agreement. Plaintiffs' counsel shall be responsible for filing either a joint or unopposed motion / stipulation for approval of the Settlement. Plaintiffs shall provide the requisite notice of this Settlement Agreement to the LWDA on or before the date Plaintiffs request approval of this Settlement Agreement from the Court. If the Court approves this Settlement, the Parties shall request that the Court enter an Order approving the settlement.

As part of the request to approve the Settlement, Plaintiffs shall submit a proposed order granting approval of this Settlement. The Order granting approval of the settlement shall provide for a dismissal, with prejudice, of the entire Action and the Complaint. The Court shall retain jurisdiction to enforce the terms of this Agreement. This Settlement is expressly conditioned upon the Court entering such an Order approving this Settlement as set forth herein.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to PAGA Settlement Employees, the LWDA, and Plaintiffs' counsel.

2. **Provision of Information for PAGA Settlement Employees.** Within fourteen (14) calendar days after the Effective Date, Defendants will provide the information regarding the PAGA Settlement Employees to the Settlement Administrator. This information will include the name, most recently known address, social security number, and total pay periods worked for each of the PAGA Settlement Employees during the PAGA Period. The list shall also include the sum total of all pay periods worked by PAGA Settlement Employees during the PAGA Period. As social security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

The Settlement Administrator will calculate the amount to be received by each PAGA Settlement Employee. Within five (5) calendar days of receiving the Gross Settlement Amount, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated individual settlement payments to each PAGA Settlement Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for PAGA Settlement Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the PAGA Settlement Employees' addresses.

Within ten (10) court days of receiving approval from counsel of the payment calculations as provided above, the Settlement Administrator will issue payments to: (a) PAGA Settlement Employees along with an explanatory letter (“Settlement Notice”); (b) the LWDA; (c) Plaintiffs’ counsel; (d) Plaintiffs; and (e) itself.

4. **Undeliverable Notices.** The Settlement Administrator will issue each PAGA Settlement Employee a check for his, her, or their share of the PAGA Payment along with a Settlement Notice. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address or social security number of the PAGA Settlement Employees involved, and will then perform a single re-mailing. Individual PAGA Payment checks will remain negotiable for one hundred and eighty (180) calendar days, and PAGA Settlement Employees will have one hundred and eighty (180) calendar days from the date of the mailing to cash their Individual PAGA Payment checks. If an PAGA Settlement Employee’s check is returned to the Settlement Administrator with a forwarding address provided by the United States Postal Service, the Settlement Administrator will promptly resend the check to that PAGA Settlement Employee to that address, but this re-mailing will not extend the 180-day period to cash a check. Funds represented by Individual PAGA Payment checks returned as undeliverable and those Individual PAGA Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be paid to Court Appointed Special Advocates of Los Angeles.

Defendants fully discharge their obligations to those PAGA Settlement Employees who are entitled to an Individual PAGA Payment through the Settlement Administrator’s mailing of a check, regardless of whether such checks are actually received and/or negotiated by PAGA Settlement Employees.

5. **Accounting.** Within fifteen (15) calendar days of receiving approval from both Parties’ counsels of the payment calculations, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement, via a declaration or otherwise.

6. **Tax Consequences.** Individual PAGA Payments made under this Settlement will be attributed one hundred percent (100%) as penalties and interest and paid via IRS Form 1099 issued to each PAGA Settlement Employee. Defendants make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. MISCELLANEOUS PROVISIONS

1. **Mutual Preparation and Drafting.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm’s-length negotiations between the Parties through informed counsel and that neither Party shall be

considered the “drafter” of this Settlement Agreement for purposes of having terms construed against that Party.

2. **No Impact on Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiffs or any PAGA Settlement Employee under the Settlement will modify any previously credited hours or service under any employee benefit plan, policy or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under or any other monetary entitlement under Defendants’ sponsored benefit plans, policies or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently or on a going-forward basis, as salary, earnings, wages or any other form of compensation for the purposes of any Defendants’ benefit plan, policy, or bonus program. Defendants retain the right, if necessary, to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for “hours worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

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

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

5. **Authority.** Defendants represent and warrant that the undersigned has the authority to act on behalf of Defendants and to bind Defendants to the terms of this Settlement Agreement. Plaintiffs represent and warrant that Plaintiffs each have the authority to enter into this Settlement Agreement.

6. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California.

7. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim. This Settlement Agreement cannot be amended or modified except by a writing signed by the Parties hereto.

8. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions, without prejudice. Neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect

9. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

The Parties further agree that upon the occurrence of the dismissal of the Action pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure Section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and PAGA Settlement Employees to interpret and enforce the terms, conditions and obligation of the Agreement.

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

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

12. **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.

13. **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, DocuSign, and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

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

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

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

of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

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

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

19. **Dispute(s).** Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, the Parties agree to submit any such dispute(s) to the Court. To the extent any Party seeks to enforce any of the terms of this Agreement in or before the Court, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

20. **Non-Evidentiary Use.** Neither this Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the Action or in any other action or proceeding; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement.

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

22. **No Public Comment.** Neither the Parties nor their counsel shall make or issue any public statements to the press or any other third party, nor post any information on websites or other public forums, concerning the Action in any way.

23. **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.

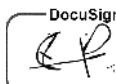
24. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding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

25. **Denial of Liability.** The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. 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 course of this Action, 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 Settlement Agreement 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.

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

Dated: May ³¹_, 2022

By:  DocuSigned by:
7A64E0DB28574F8...rlos Pacheco

Dated: May __, 2022

By: _____
Plaintiff Samuel Gallardo

Dated: May __, 2022

By: _____
Defendants Crash Champions, LLC, Pacific Elite, LLC, Prestige Too Auto Body, LLC, and Fountain Valley Body Works, Inc.

Approved as to form:

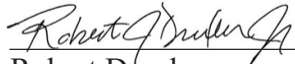
DAVID YEREMIAN & ASSOCIATES, INC.

Dated: May __, 2022

David Yeremian
Alvin Lindsay
Attorneys for Plaintiffs Carlos Pacheco and Samuel Gallardo

CAPSTONE LAW, APC.

Dated: May 31, 2022

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Robert Drexler
Molly DeSario
Jonathan Lee
Attorneys for Plaintiffs Carlos Pacheco and Samuel Gallardo

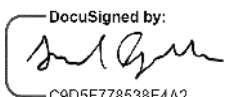
exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation 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 Settlement Agreement 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.

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

Dated: May __, 2022

By: _____
Plaintiff Carlos Pacheco

Dated: May ³¹_, 2022

By:  _____
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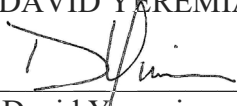
Dated: May __, 2022

By: _____
Defendants Crash Champions, LLC, Pacific Elite, LLC, Prestige Too Auto Body, LLC, and Fountain Valley Body Works, Inc.

Approved as to form:

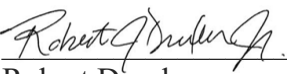
DAVID YEREMIAN & ASSOCIATES, INC.

Dated: May 31, 2022

 _____
David Yeremian
Alvin Lindsay
Attorneys for Plaintiffs Carlos Pacheco and Samuel Gallardo

CAPSTONE LAW, APC.

Dated: May 31, 2022

 _____
Robert Drexler
Molly DeSario
Jonathan Lee
Attorneys for Plaintiffs Carlos Pacheco and Samuel Gallardo

exchanged, issued or used during the course of this Action, 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 Settlement Agreement 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.

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

Dated: May __, 2022

By: _____
Plaintiff Carlos Pacheco

Dated: May __, 2022

By: _____
Plaintiff Samuel Gallardo

Dated: ~~May __, 2022~~
June 2, 2022

By:  By: Paul J. Ruiter,
Its Chief Human Resources Officer
Defendants Crash Champions, LLC, Pacific Elite,
LLC, Prestige Too Auto Body, LLC, and Fountain
Valley Body Works, Inc.

Approved as to form:

DAVID YEREMIAN & ASSOCIATES, INC.

Dated: May __, 2022

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Alvin Lindsay
Attorneys for Plaintiffs Carlos Pacheco and
Samuel Gallardo

CAPSTONE LAW, APC.

Dated: May __, 2022

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June 2, 2022
Dated: ~~May 2~~, 2022

LITTLER MENDELSON, P.C.



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Exhibit A

NOTICE OF PAGA SETTLEMENT

Samuel Gallardo, et al. v. Crash Champions, LLC, et al.
Superior Court of the State of California, County of Los Angeles
Case No. 21STCV19705

Settlement Administrator

CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Tel: (800) 542-0900

«Barcode» «BarcodeString»
«FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

Dear «FirstName»:

You are receiving this notice as a result of lawsuits brought by Plaintiffs Samuel Gallardo and Carlos Pacheco (collectively, “Plaintiffs”) on a representative basis under the California Private Attorneys General Act, Labor Code § 2698 *et seq.* (“PAGA”) against Defendants Crash Champions, LLC, Prestige Too Auto Body, LLC, Pacific Elite, LLC, and Fountain Valley Body Works, Inc. (collectively, “Defendants”) (the “Action”). Through the Action, Plaintiffs sought to recover civil penalties for purported violations of the California Labor Code on behalf of all individuals who were employed by Defendants as non-exempt employees in California during the PAGA Period (the “Aggrieved Employees”). The PAGA Period is the time period from March 16, 2020 through [DATE COURT ENTERS ORDER APPROVING SETTLEMENT].

Defendants deny all claims and allegations in the Action, deny that they owe any penalties to Plaintiffs, the Aggrieved Employees, and/or the government. Defendants assert that they have fully complied with all applicable wage and hour laws, California Labor Code sections, and other provisions of law noted below. The Court has not made a determination about Plaintiffs’ allegations. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim. Nevertheless, to avoid further costs and time in litigating the Action, Plaintiffs and Defendants have settled the Action with no admission of liability, and the Court has approved the settlement and release of all PAGA claims based on the alleged facts and legal claims in the operative complaint of *Samuel Gallardo, et al. v. Crash Champions, LLC, et al.*, Los Angeles County Superior Court Case No. 21STCV19705 which occurred during the PAGA Period, including PAGA claims for alleged: (a) unpaid wages due to off the clock work, (b) unpaid overtime, (c) violations of California meal and/or rest period requirements, (d) inaccurate itemized wage statements, (e) untimely payment of wages during employment, (f) untimely payment of final wages following separation of employment, (g) requirement of a release of a claim or right in exchange for wages, (h) withholding pre-employment medical or physical examination from wages, (i) and failure to reimburse necessary business expenditures (“PAGA Released Claims”).

By Order dated [DATE COURT ENTERS ORDER APPROVING SETTLEMENT], the Superior Court of California for the County of Los Angeles approved the settlement of the Action and the PAGA Released Claims.

The Settlement provides for Defendants to pay Two Hundred Eighty-Five Thousand Dollars and Zero Cents (\$285,000.00) as civil penalties under PAGA (“PAGA Penalties”). The PAGA Penalties shall be allocated as follows: (1) seventy-five percent (75%) to the California Labor and Workforce Development Agency (“LWDA”), approximately Two Hundred Thirteen Thousand Seven Hundred Fifty Dollars and Zero Cents (\$213,750.00), as required by California Labor Code § 2699; and (2) twenty-five percent (25%), approximately Seventy-One Thousand Two Hundred Fifty Dollars and Zero Cents (\$71,250.00), distributed pro rata in individual payments to Plaintiffs and Aggrieved Employees.

The Settlement settles any claim that could be made by any of the Aggrieved Employees, including you, pursuant to the PAGA, for civil penalties based on the operative facts alleged in Plaintiffs’ operative complaint in the Action, including claims for violations of California Labor Code §§ 201, 202, 203, 204, 206.5, 222.5, 226, 226.7, 510, 512, 516, 1174, 1182.12, 1194, 1197, 1197.1, 1198, 2802, 2699, *et seq.*, violation of any Industrial Welfare Commission Order, and any other claims asserted in the Action and operative complaint. PAGA Settlement Employees, other than Plaintiffs, will not be deemed to have released any separate Labor Code (other than PAGA) individual wage claims by virtue of the Settlement.

According to Defendants’ records, you are an Aggrieved Employee and are therefore entitled to a share of the PAGA settlement proceeds based upon the Court-approved allocation which is based upon the pay periods you worked during the PAGA Period. The enclosed settlement check, which you are receiving in your capacity as an Aggrieved Employee in connection with the settlement of the PAGA claim for civil penalties, shall remain valid for one-hundred-eighty (180) calendar days after mailing. Thereafter, all uncashed checks shall be paid to the Court Appointed Special Advocates of Los Angeles.

Please Note: One hundred percent (100%) of your payment will be considered civil penalties; may be subject to local, state, and/or federal tax withholdings; and will be reported to the IRS and applicable state tax authorities. You should rely on your own tax advisors as to the tax consequences of your PAGA Payment. Neither Plaintiffs nor Defendants have made or will make any representations or warranties regarding the taxation of your PAGA Payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or your PAGA Payment. If you have any questions, you may call or write to CPT Group, Inc. (the “Settlement Administrator”) using the contact information at the top of this correspondence.