PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release ("Settlement Agreement" or "Settlement") is entered into by and between Robert Truelove ("Plaintiff"), for himself and as a representative of the State of California and the Aggrieved Employees (as defined in Section 3(a)(5) below) and Hardin Automotive, Hardin Irvine Automotive, Inc., and Garden Grove Automotive, Inc. ("Defendants"), subject to approval by the Court. The term "Party" or "Parties" as used herein shall refer to Plaintiff, Defendants, or both, as may be appropriate.

1. **Recitals**. This Settlement Agreement is made with reference to the following facts:

(a) Plaintiff alleges that he is a former employee of Defendants. Plaintiff alleges that he was employed by Defendants from approximately February 2020 to approximately March 2020;

(b) On March 12, 2021 Plaintiff's Counsel submitted a letter to the California Labor and Workforce Development Agency ("LWDA") on behalf of Plaintiff, to notify the LWDA and Defendants pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.* ("PAGA") of Plaintiff's intent to seek civil penalties under PAGA for Defendants' alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, 7-2001, and 9-2001, thereby initiating LWDA Case Number LWDA-825814-21 (the "PAGA Notice");

(c) On May 17, 2021 Plaintiff filed his Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Operative Complaint"), commencing a representative action under PAGA against Defendants, entitled *Robert Truelove v. Hardin Automotive*, Orange County Superior Court Case No. 30-2021-01201227-CU-OE-CXC (the "Action"). The Operative Complaint asserts a single cause of action for civil penalties under PAGA, for violations of multiple provisions of the California Labor Code and applicable Industrial Welfare Commission Wage Orders;

(d) On March 28, 2025, the Parties mediated the Action with the highly respected mediator, Steve Pearl, Esq. The Action did not settle at mediation, but following the mediation and with the continued assistance of the mediator and with his evaluations, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety by accepting a mediator's proposal;

(e) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Released Claims (as defined in Section 8 below).

2. **No Admission of Wrongdoing**. The Parties expressly recognize that the making of this Settlement 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 pendency of the 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 may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

3. **Consideration**.

(a) In consideration for Plaintiff signing this Settlement Agreement and complying with its terms, Defendants shall pay the maximum gross sum of Five Hundred Ninety Nine Thousand One Hundred and Nine Dollars and Zero Cents ($599,109.00) (the "Total Settlement Amount") which includes the Attorneys' Fees and Costs, General Release Fee, Settlement Administration Costs, and the LWDA Payment to resolve the Action and Released Claims (as defined herein), which will be paid as follows:

(1) Defendants agree not to oppose or impede any application or motion by Plaintiff's Counsel for an award out of the Total Settlement Amount of attorneys' fees in the amount of thirty-five percent (35%) of the Total Settlement Amount, which is Two Hundred Thirty Nine Thousand Six Hundred Eighty Eight Dollars and Fifteen Cents ($209,688.15), and reimbursement of actual litigation costs and expenses in the amount of up to Twenty Thousand Dollars and Zero Cents ($20,000.00) (collectively, "Attorneys' Fees and Costs"). The Attorneys' Fees and Costs referred to herein shall fully compensate and reimburse Plaintiff's Counsel for any and all of the work already performed in connection with the Action and all work remaining to be performed in fully and finally resolving the Action, including but not limited to securing Court approval of the Settlement Agreement, appearing at hearings, making sure that the Settlement is fairly and properly administered, defending the Settlement Agreement in any challenge, appeal or other post-approval matter, all other work that Plaintiff's Counsel has performed or will perform, and all costs that Plaintiff's Counsel has incurred or will incur.

(2) For a general release of all claims Plaintiff may have against Defendants, Defendants agree not to oppose any application or motion by Plaintiff's Counsel for up to the amount of Five Thousand Dollars and Zero Cents ($5,000.00) ("General Release Fee") to be paid to Plaintiff out of the Total Settlement Amount.

(3) Costs and expenses of administration of the Settlement up to the amount of Fifteen Thousand Dollars and Zero Cents ($15,000.00) ("Settlement Administration Costs") to be paid to ILYM Group LLC, or another neutral third-party settlement administrator to be selected by the Parties, (the "PAGA Settlement Administrator") out of the Total Settlement Amount.

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Total Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent (25%) will be distributed to the Aggrieved Employees, defined solely for purposes of this Settlement as all current and former hourly-paid or non-exempt individuals employed by Defendants within the State of California at any time during the PAGA Period (the "Aggrieved

Employees"). The period March 12, 2020 through March 28, 2025 is the "PAGA Period". The Aggrieved Employees are estimated to consist of approximately 716 individuals who worked approximately 25,494 Compensable Pay Periods. If the actual number of Compensable Pay Periods during the PAGA Period is more than five percent (5%) above 25,494, Defendants will have the option to either increase the Total Settlement Amount by the percentage that the actual number exceeds 26,769 or shorten the PAGA Period to when the Compensable Pay Periods reach 25,494. The 25% portion of the Net Settlement Amount payable to Aggrieved Employees is referred to as the "Employees' Portion."

(6) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One Hundred Percent (100%) of the payments for Attorneys' Fees and Costs, General Release Fee, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the PAGA Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.

4. **Court Approval is Required**. Plaintiff understands and agrees that the State of California and Aggrieved Employees, including Plaintiff, would not receive the consideration specified in Section 3(a) above, except for Plaintiff's execution of this Settlement Agreement, and the fulfillment of the promises contained herein, as well as Court approval of the Settlement. If this Settlement Agreement is not approved by the Court, it shall be null and void.

5. **Disbursal of Settlement Funds**.

(a) Subject to Section 4 above, Defendants shall remit to the PAGA Settlement Administrator the sums described more fully in Section 3(a) above not more than fourteen (14) calendar days following the Court entering an order approving the Settlement Agreement.

(b) Upon complete distribution of the Total Settlement Amount by the PAGA Settlement Administrator in accordance with this Settlement Agreement, the PAGA Settlement Administrator will notify the Parties of distribution of the entire Total Settlement Amount.

6. **Approval and Implementation of the PAGA Settlement**.

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal). Plaintiff's Counsel shall ultimately be responsible for preparing and presenting to the Court all filings required by the Court in the Action to implement the Settlement and terminate the Action pursuant to settlement.

(b) The Parties further agree that Plaintiff's Counsel shall be responsible for drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Jamie Gross of Fisher & Phillips LLP ("Defendants' Counsel") for review and approval prior to filing.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

7. **Payment of Total Settlement Amount / Notice to Recipients**.

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendants by transmitting the required sums to a qualified settlement account established by the PAGA Settlement Administrator for administration of this Settlement, within fourteen (14) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendants is due falls on a Saturday, Sunday or legal holiday in the State of California, then the due date shall be extended the next following day which is not a Saturday, Sunday or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro-rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Compensable Pay Periods"), based on Defendants' payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual Settlement Share"), the PAGA Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Compensable Pay Periods he or she individually worked by the total aggregate number of Compensable Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual Settlement Share.

(1) One Hundred Percent (100%) of all Individual Settlement Shares are to be considered penalties and the PAGA Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual Settlement Shares will be reported on an IRS Form 1099, as required by the IRS.

(c) The PAGA Settlement Administrator shall distribute each Individual Settlement Share by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "Exhibit A", in the following manner:

(1) No later than seven (7) calendar days after the Court's order granting approval of the Settlement, Defendants shall provide the PAGA Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following

information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) the number of Compensable Pay Periods worked by each Aggrieved Employee during the PAGA Period.

(2) The PAGA Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by first-class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the PAGA Settlement Administrator shall promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid for ninety (90) calendar days from the original date of issuance, and thereafter, shall be canceled. Funds associated with canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of his or her respective Individual Settlement Share(s).

(d) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(e) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel, unless instructed otherwise by Plaintiff's Counsel. At the request of Plaintiff's Counsel, the PAGA Settlement Administrator may purchase annuities, utilize United States Treasuries and bonds, or utilize any other attorney fee deferral vehicles and any additional expenses associated with doing so will be paid separately by Plaintiff's Counsel.

(f) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the General Release Fee to Plaintiff.

(g) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the Settlement Administration Costs to itself, only after the PAGA Settlement Packages have been mailed to all Aggrieved Employees.

8. **Release of Claims by Plaintiff, Aggrieved Employees, and the State of California**.

(a) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged Defendants, including Defendants' parent corporation, franchisees, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, the "Released Parties"), to the full extent permitted by law, of and from the Action and from any and all claims, arising during the PAGA Period, for civil penalties under the California Labor Code, Wage Orders, and/or regulations, pursuant to California Labor Code section 2698, *et seq*. ("PAGA") as well as any interest, fees, and costs available under PAGA, including but not limited to, for failure to pay minimum, regular, and overtime, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, failure to reimburse necessary business-related expenses and costs, and for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including inter alia, Wage Orders 1-2001, 4-2001, 7-2001, and 9-2001 (collectively, the "Released Claims").

(b) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff has agreed to separate individual settlement agreement whereby Plaintiff, individually and on behalf of his heirs, executors, administrators, representatives, attorneys, successors and assigns, will be deemed to have knowingly and voluntarily released and forever discharged Released Parties, to the full extent permitted by law, from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiff has or may have as of the date the Court has entered an order approving the Settlement Agreement. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiff's employment with Defendants and the termination of that employment, including without limitation claims arising under federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

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

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is Plaintiff's intention to, upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, settle fully and release all claims he now has against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

(c) Aggrieved Employees shall not have the right to opt out of or object to the Settlement. Aggrieved Employees are bound by the Released Claims upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, regardless of whether he or she cashes his or her Individual Settlement Share.

9. **Governing Law and Interpretation**.

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and should that provision be incapable of being modified to be enforceable, such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing Party.

10. **Amendment**. This Settlement Agreement may not be modified, altered or changed except in writing and signed by both Parties' counsel, wherein specific reference is made to this Settlement Agreement, subject to approval by the Court.

11. **Continuing Jurisdiction**. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Section 664.6 of the California Code of Civil Procedure.

12. **Notice of Proposed PAGA Settlement to LWDA**. Pursuant to California Labor Code section 2699(s)(2), Plaintiff's Counsel will submit a copy of this Settlement Agreement to the LWDA at the same time that it is submitted to the Court as part of Plaintiff's motion for final approval of the Settlement.

13. **Miscellaneous**.

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement

Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel with the assistance of the third-party mediator, Steve Pearl, Esq. In the event of vagueness, ambiguity or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendants fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. The Settlement Agreement remains in full force and effect anyway.

(f) Other than information necessary to secure Court approval of this Settlement Agreement and the settlement contained herein, the Parties agree to keep confidential all matters relative to this Settlement Agreement, including the claims asserted by Plaintiff in the Action and PAGA Notice, and the settlement terms, including the facts and circumstances leading up to it. None of the Parties will issue any press release or other disclosure regarding the Settlement Agreement and/or settlement other than as necessary to obtain Court approval or effectuate the settlement and release terms. Plaintiff further agrees that neither he, nor his respective counsel, will discuss the existence of this Settlement Agreement except as necessary to effectuate its terms or as otherwise required by law, including any and all obligations towards the LWDA and warranted responses to inquiries and/or concerns from Aggrieved Employees. The Parties may, however, discuss the terms of this Settlement Agreement with their spouses, attorneys, financial advisors, tax advisors, and accountants as necessary for tax related purposes, or upon a valid court order, at which time the individual receiving information about the terms of this Settlement Agreement shall be informed that the terms of this Settlement Agreement are confidential, and the individual may not reveal or disclose to any third party the terms of the Settlement Agreement. Nothing herein will restrict Plaintiff's Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Plaintiff's Counsel's qualifications and experience.

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

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANTS, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Date: Feb 4, 2026

Robert Truelove (Feb 4, 2026 12:25:40 PST)

Robert Truelove
Individually and On Behalf of
the State of California and Aggrieved Employees

Date: ______________________

____
Hardin Automotive
By: ______________________
Its: ______________________

Date: ______________________

____
Hardin Irvine Automotive, Inc.
By: ______________________
Its: ______________________

Date: ______________________

____
Garden Grove Automotive, Inc.
By: ______________________
Its: ______________________

Date: ______________________

____
Robert Truelove
Individually and On Behalf of
the State of California and Aggrieved Employees

Date: 2/4/26

____
Hardin Automotive
By: Jared Hardin
Its: VP

Date: 2/4/26

____
Hardin Irvine Automotive, Inc.
By: Jared Hardin
Its: VP

Date: 2/4/26

____
Garden Grove Automotive, Inc.
By: Jared Hardin
Its: VP

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Robert Truelove v. Hardin Automotive*, Orange County Superior Court Case No. 30-2021-01201227-CU-OE-CXC

Dear <<First Name>><<Last Name>>:

I. SUMMARY OF ACTION

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual Settlement Share"). This check is your payment from the settlement in the lawsuit entitled *Robert Truelove v. Hardin Automotive*, Orange County Superior Court Case No. 30-2021-01201227-CU-OE-CXC ("Action"). The Action was brought under the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code section 2698 *et seq.*, which is a statute that allows employees to bring lawsuits to recover civil penalties on behalf of the State of California for themselves and other employees for alleged violations of the California Labor Code.

The lawsuit was filed on May 17, 2021 by Robert Truelove ("Plaintiff") against Defendants Hardin Automotive, Hardin Irvine Automotive, Inc., and Garden Grove Automotive, Inc. ("Defendants"), on behalf of the State of California, with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to PAGA, for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on March 12, 2021, Plaintiff submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendants' alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, 7-2001, and 9-2001, thereby initiating LWDA Case Number LWDA-825814-21 (the "PAGA Notice").

II. SETTLEMENT OF ACTION AND TAX INFORMATION

A settlement was reached between Plaintiff and Defendants Hardin Automotive, Hardin Irvine Automotive, Inc., and Garden Grove Automotive, Inc. ("Defendants"). In agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties. In fact, Defendants deny all claims asserted in the Action and maintain that they fully comply with all applicable wage and hour laws.

On << Date>>, the settlement was approved by the Court, with a portion of the Net Settlement Amount to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt individuals employed by Defendants within the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period March 12, 2020 through March 28, 2025 is the "PAGA Period".

Under the Settlement, Defendants have agreed to pay the Total Settlement Amount of <<$Amount>>. After deductions for attorneys' fees and costs, settlement administration costs, and Plaintiff's general release fee for prosecuting this action and signing a general release of claims, the Net Settlement Amount is <<$Amount>>, which will be distributed as follows: seventy-five percent (75%) to the LWDA as the LWDA Payment and twenty-five percent (25%) to the Aggrieved Employees ("Employees' Portion").

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as an Aggrieved Employee. Each Aggrieved Employee, including you, is entitled to a *pro-rata* share of the Employee's Portion of the settlement based upon the number of pay periods they each worked during the PAGA Period ("Compensable Pay Periods"), which was determined by Defendants' payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual Settlement Share"), the PAGA Settlement Administrator has: (i) for each Aggrieved Employee, divided the number of Compensable Pay Periods he or she individually worked by the total aggregate number of Compensable Pay Periods worked by all Aggrieved Employees, and then (ii) multiplied this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual Settlement Share.

The Individual Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the Settlement and should consult a tax advisor regarding the tax consequences of such payment.

III. RELEASE OF CLAIMS

Under the settlement, as of <<date of entry of order by the Court approving the settlement and full funding of Total Settlement Amount>>, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged the "Released Parties" of and from the Action and from any and all "Released Claims."

"Released Parties" means Defendants, including Defendants' parent corporation, franchisees, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs.

"Released Claims" means any and all claims, arising during the PAGA Period, for civil penalties under the California Labor Code, Wage Orders, and/or regulations, pursuant to California Labor Code section 2698, *et seq.* ("PAGA") as well as any interest, fees, and costs available under PAGA, including but not limited to, for failure to pay minimum, regular, and overtime, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, failure to reimburse necessary business-related expenses and costs, and for violations of California Labor Code 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, 7-2001, and 9-2001.

Aggrieved Employees cannot opt out of the settlement and are bound by the release. Even if you do not cash the enclosed check, you will still be releasing the Released Claims. The enclosed check is valid for 90 calendar days from the original date of issuance and mailing, and thereafter, will be cancelled. The funds associated with the cancelled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your respective Individual Settlement Share.

IV. ADDITIONAL INFORMATION

Do not call or write the Court, Office of the Clerk of the Court, Defendants, or Defendants' counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [PAGA Settlement Administrator] at [toll-free phone number] or via email at [insert email address].