

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement”) is made by and between Gerardo Velasquez and Cayla Bonds (collectively, “Plaintiffs”), on behalf of themselves, on behalf of the PAGA Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency (“LWDA”) and representative of the State of California, and Defendant Citrus Motors Ontario, Inc. (“Defendant”), to resolve the Actions and Released Claims, subject to the terms and conditions hereof and the approval of the Court. Plaintiffs and Defendant are collectively referred to herein as the “Parties” and each may be individually referred to as a “Party.”

I. REPRESENTATIONS AND DEFINITIONS

1. “Actions” mean and refer to the civil actions filed in the Superior Court of the State of California for the County of San Bernardino, entitled *Gerardo Velasquez v. Citrus Motors Ontario, Inc.*, Case No. CIVSB2108083, filed on March 25, 2021 (the “Velasquez Action”) and *Cayla Bonds v. Citrus Motors Ontario, Inc.*, Case No. CIVSB2114893, filed on May 25, 2021 (the “Bonds Action”).

2. “Agreement” or “Settlement” means the arm’s-length settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Release, and the terms, conditions and requirements set forth herein, including any attached exhibits.

3. “Counsel for Defendant” means and refers to Edson K. McClellan and Peter Hering of Rutan & Tucker, LLP.

4. “Court” means and refers to the Superior Court of California for the County of San Bernardino. Court shall also mean any other Court that acquires proper jurisdiction of the Actions.

5. “Defendant” means and refers to Citrus Motors Ontario, Inc.

6. “Effective Date” means and refers to the date by which all of the following have occurred: (1) the Court has signed and entered the Approval Order and Judgment (as defined below), and (2) the Defendant has fully funded the Settlement.

7. “LWDA” means and refers to the California Labor and Workforce Development Agency.

8. “Operative Complaints” means and refers to: the First Amended Class Action Complaint filed by Plaintiff Velasquez on July 6, 2021 and the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* filed by Plaintiff Bonds on May 25, 2021.

9. “PAGA” means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.*

10. “PAGA Employees” or singularly “PAGA Employee” means and refers to Plaintiffs and all current and former non-exempt employees who worked for Defendant within the State of California during the PAGA Period.

11. “PAGA Period” means the time period from September 25, 2019 through December 20, 2021.

12. “Parties” means and refers to, collectively, Plaintiffs and Defendant, and “Party” means and refers to Parties individually.

13. “Pay Periods” means and refers to the total number of pay periods that each PAGA Employee worked as a non-exempt employee for Defendant during the PAGA Period.

14. “Plaintiffs” means Gerardo Velasquez and Cayla Bonds.

15. “Plaintiffs’ Counsel” means and refers to Samuel Wong, Kashif Haque, Jessica L. Campbell and Carolyn M. Bell of AEGIS LAW FIRM, PC and Edwin Aiwazian, Arby Aiwazian and Joanna Ghosh of LAWYERS *FOR JUSTICE*, PC.

16. “Released Claims” means and refers to any and all claims for PAGA civil penalties that were alleged or reasonably could have been alleged in the Notices to the LWDA and the Operative Complaints based on the facts alleged therein, which arose during the PAGA Period, which includes, but is not limited to, claims under PAGA for failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized wage statements, failure to pay all wages due upon separation of employment, failure to pay wages during employment, failure to keep complete and accurate payroll records, and violations of California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2751, 2800, 2802, and Industrial Welfare Commission Wage Order 7-2001.

17. “Released Parties” means and refers to Defendant and each of its current, past, and present, subsidiaries, affiliates, parent companies, shareholders, members, directors, officers, managing agents, owners, employees, attorneys, representative, agents, insurers, predecessors, successors, and assigns, and any individual or entity which could be jointly liable with Defendant in connection with the Actions.

18. “Settlement Administrator” means and refers to Phoenix Class Action Administration Solutions.

II. NATURE OF ACTION

1. On March 18, 2021, Plaintiff Bonds sent a letter to the LWDA and Defendant giving notice of her intent to pursue a representative action pursuant to the PAGA, on behalf of herself and the State of California, as well as on behalf of a proposed group of aggrieved employees (“Bonds LWDA Notice”). Similarly, on March 25, 2021, Plaintiff Velasquez sent a letter to the LWDA and Defendant as well to give notice of his intent to also file a representative action under PAGA (“Velasquez LWDA Notice”). The Bonds LWDA Notice and Velasquez LWDA Notice are collectively referred to as the “Notices to the LWDA.”

2. On March 25, 2021, Plaintiff Velasquez filed his Class Action Complaint as a class action lawsuit, alleging that, Defendant failed to: properly pay all wages (including minimum and overtime wages, and at the proper rate), provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse business expenses, timely pay all wages during employment and upon separation of employment, provide compliant wage statements as applied to non-exempt employees employed by Defendant in California, and violation of the Business and Professions Code §§ 1720, *et seq.* On July 6, 2021, Plaintiff Velasquez filed the First Amended Class Action Complaint to add a cause of action under PAGA.

3. On May 25, 2021, Plaintiff Bonds filed her representative Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* that alleged a single cause of action under PAGA. In her representative action, she alleged that Defendant failed to pay overtime, failed to provide meal periods, failed to provide rest periods, failed to pay minimum wages, failed to timely pay wages upon termination, failed to timely pay wages during employment, failed to provide complete and accurate wage statements, failed to keep complete and accurate payroll records, and failed to reimburse necessary business-related expenses and costs to Plaintiff Bonds and other aggrieved employees.

4. The Parties engaged in significant investigation and exchange of data and documents, as well as private mediation that took place on October 19, 2021 with mediator Jill R. Sperber, Esq., and with the benefit of the mediator's evaluation, the Parties reached the Settlement described herein.

5. This Settlement relates solely to the PAGA claims on behalf of Plaintiffs and the State of California with respect to Plaintiffs and all PAGA Employees. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Actions, denies liability for the Released Claims, and further denies that the Actions are appropriate for representative treatment for any purpose other than settling the Actions. Defendant contends, among other things, that it has complied at all times with the California Labor Code and the related Industrial Welfare Commission Wage Orders, all other state and federal wage laws, and further contends that all of its respective employees were and are paid properly and that the Actions are without merit. Defendant has denied and continues to deny each and every material factual allegation and all alleged claims asserted against it in the Actions.

6. The Parties recognize that the issues presented in the Actions 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 taken into account the risk and uncertainty of the outcome inherent in any litigation.

7. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Plaintiffs, PAGA Employees, the State of California, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Plaintiffs' Counsel believes that the settlement amount entered into is in the best interests of the PAGA Employees and the State of California, and fair, reasonable, and adequate given the inherent risk of litigation.

III. TERMS OF SETTLEMENT

1. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Plaintiffs, on behalf of themselves, the State of California, and all PAGA Employees, and Defendant agree to settle and compromise the Actions and the Released Claims.

2. The Gross Settlement Amount. As consideration for the settlement described herein and the release provided herein, Defendant agrees to pay the all-inclusive total amount of Seven Hundred Twenty-Five Thousand Dollars and zero cents (\$725,000.00) (“Gross Settlement Amount”). Defendant shall fund the Gross Settlement Amount as set forth herein. The Gross Settlement Amount will include payments as follows, which Plaintiffs will seek approval of from the Court, in conformity with this Agreement:

- a. Payment to each Plaintiff in the amount of up to Ten Thousand Dollars and zero cents (\$10,000.00) (total, \$20,000.00) as an individual settlement award (“General Release Fees”);
- b. Payment to the Settlement Administrator in the amount of up to Ten Thousand Dollars and zero cents (\$10,000.00) (“Settlement Administration Costs”);
- c. Payment of Attorneys’ Fees and Costs to Plaintiffs’ Counsel, as set forth herein; and
- d. The PAGA Penalties to be paid to the LWDA and PAGA Employees, as set forth herein.

3. Pro Rata Increase. Defendant estimated the number of PAGA Employees is 311 and the number of pay periods to be 7,200. If it is determined that the number of PAGA Employees exceeds 342 or the number of Pay Periods exceeds 7,920 (an increase of more than 10%), there will be a *pro rata* adjustment to the Gross Settlement Amount per additional PAGA Employee or additional Pay Period.

4. Allocation and Calculation of the PAGA Penalties. The amount available for distribution to the LWDA and PAGA Employees (“PAGA Penalties”) is the Gross Settlement Amount less the Court-approved Attorneys’ Fees and Costs to Plaintiffs’ Counsel, General Release Fees to Plaintiffs, and the Settlement Administration Costs to the Settlement Administrator. Seventy Five Percent (75%) of the PAGA Penalties will be paid to the LWDA (“LWDA Payment”), and Twenty Five Percent (25%) of the PAGA Penalties will be paid to the PAGA Employees (“Employee Amount”), as required by California Labor Code § 2699(i).

5. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the Pay Periods that he or she worked for Defendant in the State of California during the PAGA Period, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods

of all PAGA Employees to yield the “Per Pay Period Amount,” and then each PAGA Employee’s individual number of Pay Periods will be multiplied by the Per Pay Period Amount to yield his or her “Individual Settlement Payment.” Individual Settlement Payments shall be paid to PAGA Employees by way of a single check to each PAGA Employee (“Individual Settlement Check”).

6. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiffs and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Defendant, Counsel for Defendant, or Plaintiffs’ Counsel, and that neither Defendant, Counsel for Defendant, nor Plaintiffs’ Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are interpreted to contain or constitute advice regarding any U.S. 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.

7. Plaintiffs’ Counsel’s Attorneys’ Fees and Costs. As part of the request for approval of this Settlement, Plaintiffs will request that the Court award the following to Plaintiffs’ Counsel: up to one-third (1/3) of the Gross Settlement Amount, or Two Hundred Forty One Thousand Six Hundred Sixty-Six Dollars and sixty-six cents (\$241,666.66), for attorneys’ fees and of up to Twenty Five Thousand Dollars and zero cents (\$25,000.00) for reimbursement of actual costs and expenses of litigating the Actions (together, “Attorneys’ Fees and Costs”). The amount of Attorneys’ Fees and Costs compensates all law firms and lawyers included in the definition of Plaintiffs’ Counsel, and no one other law firm is entitled to any portion of Attorneys’ Fees and Costs. It is up to Plaintiffs’ Counsel to divide the Attorneys’ Fees and Costs between the two law firms. The Attorneys’ Fees and Costs shall be paid from the Gross Settlement Amount, subject to approval by the Court. Should Plaintiffs’ Counsel request a lesser amount for attorneys’ fees and costs and/or the Court approve a lesser amount, the difference shall be a part of the PAGA Penalties to be distributed to the LWDA and PAGA Employees as described above. Payment of Attorneys’ Fees and Costs will be reflected in a Form 1099 to Plaintiffs’ Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

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8. No Effect on Employee Benefits. The payments made to Plaintiffs and other PAGA Employees pursuant to this Agreement are not intended to count as earnings by Plaintiffs or the PAGA Employees, and will not entitle Plaintiffs or the PAGA Employees to any additional compensation and/or benefits under any retirement, benefit, bonus, incentive, pension, welfare, and/or any other plan of or sponsored by Defendant. Defendant shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of this Agreement. The Individual Settlement Payments paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendant. Further, any Individual Settlement Payments are penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, and employee benefit plan or bonus plan sponsored by Defendant.

IV. RELEASE OF CLAIMS

1. Release by Plaintiffs, PAGA Employees, LWDA, and the State of California. Upon the Effective Date, Plaintiffs and each PAGA Employee, shall fully release and forever discharge Released Parties from the Released Claims during the period from September 25, 2019, through December 20, 2021, and the State of California shall fully release and forever discharge Released Parties from the Released Claims as they pertain to Plaintiffs and PAGA Employees from September 25, 2019, through December 20, 2021.

2. It is understood and agreed that this Agreement neither releases the Released Parties from liability, if any, to PAGA Employees for violations of any predicate statutes other than PAGA, nor effects a waiver of claims by PAGA Employees against the Released Parties for the same.

3. Release by Plaintiffs. Upon the Effective Date, Plaintiffs, individually and on behalf of their current, former, and future heirs, executors, administrators, representatives, attorneys, agents, successors and assigns, shall fully release and forever discharge 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 Plaintiffs have or may have as of the Effective Date. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiffs' employment with Defendant and the termination of that employment,

arising on or before the Effective Date, 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 Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive 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.

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to settle fully and release all claims they have against the Released Parties, arising on or before the Effective Date, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

4. No Other Actions. Plaintiffs are deemed by operation of the Approval Order and Judgment (as defined below) to have agreed not to sue or otherwise make any claim against any of the Released Parties based upon any action, event or occurrence prior to the Effective Date.

V. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

1. Settlement Approval by Court. The Parties recognize that Court approval is required in the event of any settlement of a PAGA action, in accordance with California Labor Code § 2699(1)(2), and that a judgment with respect to the PAGA action is binding with respect to non-party aggrieved employees upon Court approval, pursuant to California Labor Code § 2699(1) and *Arias v. Superior Ct.* (2009) 46 Cal.4th 969. Parties further recognize that a settlement of a PAGA action is not subject to class action procedural rules, and that PAGA Employees do not

have the right to opt-out of or otherwise exclude themselves from the Settlement, or object to the Settlement, and upon approval of the Settlement by the Court and funding of the Settlement, all PAGA Employees will have released the Released Parties of and for the Released Claims and PAGA Employees will be entitled to receive payment, in conformity with the Settlement. In order to comply with the requirements of California Labor Code § 2699, promptly upon execution of this Agreement, Plaintiffs' Counsel shall prepare, file and serve a motion requesting that the Court approve the Settlement, including and not limited to the PAGA Penalties, Attorneys' Fees and Costs, General Release Fees, and Settlement Administration Costs, and apply to the Court for the entry of an order approving the Settlement and all of the requested payments and entering judgment ("Approval Order and Judgment"). The motion shall advocate that the penalties are fair, adequate, and reasonable, which will draw no opposition from Defendant or Defendant's Counsel. Concurrently with applying to the Court for approval of the Settlement, Plaintiffs' Counsel shall submit the Agreement to the LWDA in conformity with California Labor Code § 2699(1)(2).

2. With Plaintiffs' motion for approval of Settlement, Plaintiffs shall submit a proposed Approval Order and Judgment which shall seek, *inter alia*: (1) approval of this Settlement and the terms herein; (2) permanent bar of all PAGA Employees from prosecuting any of the Released Claims released in this Agreement against the Released Parties during the PAGA Period; (3) dismissal of the individual and class action allegations in the Velasquez Action within 30 calendar days of Defendant fully funding the Gross Settlement Amount; and (4) that no individualized notice of entry of the Approval Order and Judgment is required to be provided to the PAGA Employees. Prior to filing, Plaintiffs' Counsel will provide Defendant's Counsel a courtesy copy of the proposed Approval Order and Judgment. Upon entry of the Approval Order and Judgment by the Court, Plaintiffs' Counsel shall submit the Approval Order and Judgment to the LWDA in conformity with California Labor Code § 2699(1)(2).

VI. ADMINISTRATION OF THE SETTLEMENT

1. PAGA Employee List. Defendant shall compile a list containing the following information regarding each of the PAGA Employees: (1) full name; (2) last known mailing address; (4) Social Security number; and (5) the total number of Pay Periods worked during the PAGA Period ("PAGA Employee List"). The PAGA Employee List will be provided to the Settlement Administrator within ten (10) calendar days after the Court has signed and entered the Approval Order and Judgment. This information shall be treated as and remain confidential and shall be used solely to manage the payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or

pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

2. Funding of Settlement. Defendant shall fund the Gross Settlement Amount by way of electronic transfer to the account to be established by the Settlement Administrator for purposes of administration of the Settlement (“Settlement Administration Account”) within the later of (i) sixty one (61) calendar days after service of notice of entry of the Approval Order and Judgment, if no appeal, review, or writ has been filed; or (ii) if an appeal, review, or writ is sought from the Approval Order and Judgment, the 5th day after the Approval Order and Judgment is affirmed or the appeal, review, or writ is dismissed or denied, and the Approval Order and Judgment are no longer subject to further judicial review, The Settlement Administrator shall send Defendant’s counsel electronic wiring instructions to fund the Gross Settlement Amount at least 10 days prior to the date Defendant is required to fund the Gross Settlement Amount.

3. Payments to LWDA, Plaintiffs’ Counsel, Plaintiffs, and Settlement Administrator. Within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall pay the Court-approved LWDA Payment to the LWDA, Attorneys’ Fees and Costs to Plaintiffs’ Counsel, General Release Fees to Plaintiffs, Individual Settlement Payments to PAGA Employees, and Settlement Administration Costs to itself.

4. Cover Letter and Payments to PAGA Employees. Within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall mail via U.S. First Class mail to each PAGA Employee his or her Individual Settlement Check at the last known address in the PAGA Employee List or a more updated address from the National Change of Address Database. A cover letter explaining why the check is being sent (“Cover Letter”), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as “**Exhibit A**,” will be included in the mailing of each PAGA Employee’s Individual Settlement Check. Together, an Individual Settlement Check that is mailed to a PAGA Employee with the Cover Letter is referred to as a “Payment Packet.” Prior to mailing the Payment Packets, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Payment Packets be returned as undeliverable, the Settlement Administrator will have ten (10) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Payment Packets to the traced address. The Settlement Administrator will only be required to re-mail the Payment Packets once by way of this process.

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5. Within twenty (20) calendar days of distributing the Gross Settlement Amount, the Settlement Administrator shall provide to Plaintiffs' Counsel and Defendant's Counsel written confirmation verifying that it effected disbursement of the Gross Settlement Amount pursuant to the terms of this Agreement.

6. Expiration of Individual Settlement Checks. All Individual Settlement Checks will expire one hundred and eighty (180) calendar days after the initial mailing of the original Payment Packets to the PAGA Employees, and thereafter, shall be cancelled. If any funds remain in the Settlement Administration Account as a result of cancelled Individual Settlement Checks, such funds shall be transmitted to the State Controller's Office Unclaimed Property Fund in the name of each PAGA Employee whose check is voided. All duties set forth herein shall be included in the Settlement Administration Costs and paid from the Gross Settlement Amount.

7. Disputes Relating to Settlement Administration. Any disputes concerning administration of the Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

8. Settlement Administrator's Tax Reporting. The Settlement Administrator shall be responsible for providing the requisite Form 1099's as required by this Agreement, and the completion of any other steps necessary for compliance with any tax obligations of the Settlement under federal, state, and/or local law, as applicable.

9. As soon as practicable after execution of this Agreement, Plaintiffs' Counsel shall, with the assistance and cooperation of Defendant's Counsel, take all necessary steps to secure the approval of this Settlement from the Court. Irrespective of whether a PAGA Employee's Individual Settlement Check has been cashed, he or she will be deemed to be bound by this Settlement, the release provided herein, and the Court's Approval Order and Judgment.

VII. ADDITIONAL TERMS.

1. No Prior Assignments. 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.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability, negligence, or wrongdoing on the part of Defendant, Released Parties, Plaintiffs, Plaintiffs' Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this

Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Defendant denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, that it has any liability to anyone under the claims asserted in the Actions. The Parties agree that this Agreement does not constitute an admission by Defendant or any of the Released Parties of any of the matters alleged in the Actions or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiffs, Defendant or any of the Released Parties.

3. Nullification. If the Court should fail to approve the Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the Court's questions or concerns and work jointly to make reasonable efforts to remedy the Settlement in order to obtain the Court's approval. If the Parties cannot resolve the issues identified by the Court in denying approval, the Parties shall be restored to their litigation positions and all funds returned to Defendant. If, after the Parties make a second attempt to obtain approval of the material terms of the Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain Court approval, the Court fails to approve the material terms of the settlement in the form agreed to by the Parties (except for the amount of Attorneys' Fees and Costs requested by Plaintiffs' Counsel), or if the Court's approval of this Agreement is reversed, modified, or declared or rendered void, then: (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) 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 the Attorneys' Fees and Costs, 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.

4. Attorneys' Fees, Costs And Expenses. 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/them arising out of the Actions, and shall not seek reimbursement thereof from any other Party to this Agreement, unless otherwise specifically stated.

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5. Enforcement And Continuing Jurisdiction Of The Court. The Parties agree that upon approval by the Court, this Agreement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure § 664.6 of this action over all Parties and PAGA Employees to interpret and enforce the terms, conditions, and obligations set forth in this Agreement.

6. Severability. The Parties agree that if any immaterial provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions, and the remaining provisions shall be deemed enforceable.

7. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiffs and Defendant regarding the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims.

8. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

9. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents executed pursuant to or in furtherance of this Agreement, nor the settlement of the Actions shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiffs, the LWDA, Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Operative Complaints in the Actions; (b) disclosed, referred to, or offered in evidence against Plaintiffs, the LWDA, or any of the Released Parties in any further proceeding in the Actions, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made

by that employee; and (c) deemed to be, nor 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. Nothing herein shall constitute an admission by Defendant that the Actions were properly brought as representative actions other than for settlement purposes.

10. Choice Of Law. The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

11. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

12. Deadlines. If any deadline specified in this Agreement falls on a Saturday, Sunday, or Court holiday, the deadline will be automatically extended to the next regular business day. Unless specified otherwise, all references to "days" shall mean calendar days.

13. Captions And Headings. Paragraph titles, captions, or headings 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 Agreement or any provision hereof.

14. Modification. Before this Agreement has been submitted to the Court for approval, this Agreement may be changed, altered, waived, or modified, in writing and signed by counsel for the Parties hereto. After this Agreement has been submitted to the Court for approval, this Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

15. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

16. No Publication. The Parties will, and will cause all their respective current or past counsel to: (i) maintain in confidence and not publish or otherwise disclose to any third party the terms of this Agreement or any related information, except as necessary to obtain Court approval as contemplated by this Agreement; (ii) not publish the fact and/or terms of this Agreement or any

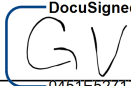
related information on their website(s), for advertising purposes, to the media (including, without limitation, legal periodicals and publications such as “Jury Verdicts,”), and/or in publication materials generally available to the public. Notwithstanding the foregoing, the Parties acknowledge and agree that this Agreement is required to be submitted to the LWDA and will be submitted to the LWDA at the time of moving for approval of this Agreement, and this Agreement will be admissible and subject to disclosure in any proceeding to enforce its terms. Nothing in this Agreement shall limit Plaintiffs’ Counsel’s ability to discuss the terms of the Settlement with the Court, State of California, or PAGA Employees. Plaintiffs’ Counsel may list the case in its qualifications to act as counsel in other court filings.

17. Electronic Signatures and Counterparts. This Agreement 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 Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

PLAINTIFF Gerardo Velasquez

DATED: 1/31/2022

DocuSigned by:

 0451E5271727489...
 Gerardo Velasquez

PLAINTIFF Cayla Bonds

DATED: _____

 Cayla Bonds

DEFENDANT Citrus Motors Ontario, Inc.

DATED: _____

 By:
 On behalf of Citrus Motors Ontario, Inc.

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PLAINTIFF Gerardo Velasquez

DATED: _____

Gerardo Velasquez

PLAINTIFF Cayla Bonds

DATED: 01/26/2022

Electronically Signed: 2022-01-27 05:40:42 UTC - 174.85.49.95

Cayla Bonds
Vintex AssureSign® 969d539e-272b-4a04-a4ac-ae09014387f5

Cayla Bonds

DEFENDANT Citrus Motors Ontario, Inc.

DATED: _____

By:
On behalf of Citrus Motors Ontario, Inc.

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PLAINTIFF Gerardo Velasquez

DATED: _____

Gerardo Velasquez

PLAINTIFF Cayla Bonds

DATED: _____

Cayla Bonds

DEFENDANT Citrus Motors Ontario, Inc.

DATED: 1/31/22

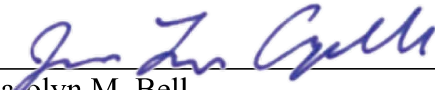

By: _____
On behalf of Citrus Motors Ontario, Inc.

APPROVED AS TO FORM AND CONTENT:

DATED: 01/31/2022

AEGIS LAW FIRM, PC

By:



Carolyn M. Bell

Attorneys for Plaintiff Gerardo Velasquez

LAYWERS *FOR* JUSTICE, PC

DATED: 01/27/2022

By:



Edwin Aiwazian

Attorneys for Plaintiff Cayla Bonds

DATED: 06/13/2022

RUTAN & TUCKER, LLP

By:



Edson K. McClellan

Peter Hering

Attorneys for Defendant

Exhibit A
Cover Letter

<<Mailing Date>>

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

Re: Individual Settlement Payment from *Gerardo Velasquez v. Citrus Motors Ontario, Inc.*, Case No. CIVSB2108083, and *Cayla Bonds v. Citrus Motors Ontario, Inc.*, Case No. CIVSB2114893

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

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Check”). This check is your payment from the settlement of two lawsuits entitled *Gerardo Velasquez v. Citrus Motors Ontario, Inc.*, Case No. CIVSB2108083, and *Cayla Bonds v. Citrus Motors Ontario, Inc.*, Case No. CIVSB2114893 (together, “Actions”), pending in the Superior Court of California for the County of San Bernardino (“Court”).

The Actions were filed by Gerardo Velasquez and Cayla Bonds (“Plaintiffs”), former employees of Citrus Motors Ontario, Inc. (“Defendant”), on behalf of the State of California with respect to themselves and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). Plaintiffs alleged that Defendant violated multiple provisions of the California Labor Code and Industrial Welfare Commission Wage Orders by failing to properly pay all wages (including minimum and overtime wages, and at the proper rate), provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse business expenses, keep complete and accurate payroll records, timely pay all wages during employment and upon separation of employment, and provide compliant wage statements. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiffs and Defendant, on behalf of Plaintiffs, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant within the State of California between September 25, 2019, and December 20, 2021 (“PAGA Employees”).

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between September 25, 2019, and December 20, 2021 (“PAGA Period”). The Individual Settlement Check 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.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The “Released Parties” means Defendant and each of its current, past, and present, subsidiaries, affiliates, parent companies, shareholders, members, directors, officers, managing agents, owners, employees, attorneys, representative, agents, insurers, predecessors, successors, and assigns, and any individual or entity which could be jointly liable with Defendant in connection with the Actions. The “Released Claims” means and refers to any and all Claims for PAGA civil penalties that were alleged or reasonably could have been alleged in the Notices to the LWDA and the Operative Complaints based on the facts alleged therein, which arose during the PAGA Period, which includes, but is not limited to, claims under PAGA for failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized wage statements, failure to pay all wages due upon separation of employment, failure to pay wages during employment, failure to keep complete and accurate payroll records, and violations of California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2751, 2800, 2802, and Industrial Welfare Commission Wage Order 7-2001.

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller’s Office Unclaimed Property Fund in your name.

Exhibit A

Cover Letter

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.