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KDW AUTOMOTIVE, INC.

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 COUNTY OF LOS ANGELES

18 MICHAEL SANDERS, on behalf of himself and all
"aggrieved employees" pursuant to Labor Code §
19 2698 *et seq.*,

20 Plaintiffs,

21 v.

22 KDW AUTOMOTIVE, INC., a Delaware
corporation, and DOES 1 through 10, inclusive,

23
24 Defendants.

Case No. 21GDCV00857

**SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

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SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

1 This Settlement Agreement and Release of Claims ("Agreement") is between Plaintiff Michael
2 Sanders ("Plaintiff"), on behalf of himself and other aggrieved employees, and Defendant KDW
3 Automotive, Inc. ("Defendant") (collectively, with Plaintiff, the "Parties"). By executing this
4 Agreement, the Parties intend to settle the lawsuit entitled *Sanders, et al. v. KDW Automotive, Inc.*,
5 Case No. 21GDCV00857 (Los Angeles County Superior Court, filed June 21, 2021) (the "Action")
6 involving claims brought under the California Labor Code Private Attorneys General Act of 2004
7 ("PAGA").

8 **I. DEFINITIONS**

9 1. "Administration Fees" refers to the amount to be paid to ILYM Group, Inc. (or any
10 other third-party settlement administrator approved by the Parties ("Settlement Administrator")) for
11 costs associated with administration of the settlement contemplated by this Agreement, including costs
12 for, among other things, printing, copying, formatting, translation of materials, postage, envelopes,
13 computer searches to locate addresses, calculation of payments to individual class members,
14 calculation of applicable withholdings and taxes (if required by law), costs associated with the process
15 for any uncashed settlement checks, and any other expenses the Settlement Administrator incurs to
16 complete the settlement process according to the terms of this Agreement. The Settlement
17 Administrator will be responsible for establishing a qualified settlement account, and issuing all
18 payments and appropriate tax forms (if required by law). The Parties agree that Administration Fees
19 will not exceed \$5,000, all of which are to be taken from the PAGA Gross Settlement Amount (as
20 defined below).

21 2. "Aggrieved Employees" consists of all non-exempt employees of KDW Automotive,
22 Inc. employed in California at any time between April 8, 2020 and April 10, 2022.

23 3. "Attorneys' Fees and Costs" means the amount of money to be paid from the PAGA
24 Gross Settlement Amount (as defined below) to Gaines & Gaines, APLC ("Plaintiff's Counsel") in
25 full satisfaction of all claims Plaintiff may have for reasonable attorneys' fees, litigation costs, and
26 expenses incurred in the Action. The amount of attorneys' fees awarded to Plaintiff's Counsel may
27 not exceed 35% of the PAGA Gross Settlement Amount, and the amount of litigation costs and
28

1 expenses (combined) may not exceed \$12,000. Defendant will not object to or otherwise oppose
2 requests consistent with this paragraph.

3 4. **"Effective Date"** shall be the later of the following dates (a) if no objection(s) are
4 made, the date on which the Court approves this Agreement and dismisses the Action with prejudice
5 through entry of the Order (as defined herein); (b) if any objection(s) are made, the applicable date
6 for seeking appellate review of the Order has passed without a timely appeal or request for review
7 having been made; and (c) if any appeal and/or request for review is sought, the expiration of any
8 time periods for appeal and/or the conclusion of any and all appeal proceedings and/or subsequent
9 trial court proceedings on remand regarding the Order. No money will be distributed unless and
10 until the Effective Date occurs.

11 5. **"Individual Settlement Payments to Aggrieved Employees"** means the individual
12 payments that shall be made to each Aggrieved Employee under this Agreement, which in the
13 aggregate shall total 25% of the PAGA Net Settlement Amount (as defined below).

14 6. **"PAGA Gross Settlement Amount"** means One Hundred Fifty Thousand Dollars
15 (\$150,000). This amount shall be used to satisfy all liabilities arising from this Agreement,
16 including Attorneys' Fees and Costs, Plaintiff's Individual Claim Payment (as defined below),
17 Individual Settlement Payments to Aggrieved Employees, Administration Fees, and payment to the
18 Labor and Workforce Development Agency ("LWDA"). Defendant shall pay exactly the PAGA
19 Gross Settlement Amount to fulfill all of its obligations under this settlement.

20 7. **"PAGA Net Settlement Amount"** means the amount, as approved by the Court, after
21 Attorneys' Fees and Costs, Plaintiff's Individual Claim Payment, and Administration Fees are
22 subtracted from the PAGA Gross Settlement Amount.

23 8. **"Plaintiff's Individual Claim Payment"** means the amount to be paid to Plaintiff
24 Sanders in consideration for his general release of all claims, as set forth in Paragraph 23 below.
25 Plaintiff's Individual Claim Payment shall be in addition to the amount payable to Plaintiff as the
26 Individual Settlement Payments to Aggrieved Employees. Plaintiff's Individual Claim Payment
27 shall not exceed \$5,000. Plaintiff will receive an IRS Form 1099 from the Settlement Administrator
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1 and will be solely responsible for reporting and paying all applicable federal, state and local tax.
2 Defendant will not object to or otherwise oppose requests consistent with this paragraph.

3 9. "Settlement Period" means April 8, 2020 through April 10, 2022.

4 **II. RECITALS AND PROCEDURAL HISTORY**

5 10. **Allegations in the Complaint and Amendment Thereto.** On June 21, 2021,
6 Plaintiff Sanders filed the Action in the Superior Court of California, County of Los Angeles,
7 individually and on behalf of all "aggrieved employees" pursuant to Labor Code §§ 2698 *et seq.* In
8 the operative Complaint, Plaintiff alleges a single claim for penalties under PAGA.

9 11. **Defendant's Denials.** Nothing in this Agreement, or in the Memorandum of
10 Understanding executed by the Parties at mediation, shall constitute an admission on behalf of
11 Defendant of any form of liability or the accuracy of any allegation against it. Defendant denies
12 (1) all the material allegations in the Action; (2) that it violated any applicable laws; and (3) that it
13 is liable for damages, penalties, attorneys' fees, costs, or any other form of compensation or remedy
14 with respect to the claims asserted in the Action. Nevertheless, without admitting any liability or
15 wrongdoing, Defendant has agreed to settle the Action on the terms set forth in this Agreement to
16 avoid the burden, expense, and uncertainty of litigation. Any statements by Defendant in this
17 Agreement are made for settlement purposes only.

18 12. **Counsel's Investigation.** Plaintiff's Counsel has investigated the facts relating to the
19 claims alleged in the Action and also has analyzed all defenses. Plaintiff's Counsel also engaged in
20 informal discovery and obtained the production of relevant data from Defendant prior to settlement
21 discussions, to allow Plaintiff's Counsel to further investigate and evaluate the claims and defenses
22 in this Action.

23 13. **Negotiation of Settlement.** Plaintiff's Counsel engaged in arms-length negotiations
24 with Defendant through mediator Marc Feder, Esq. on March 31, 2022 with a view toward achieving
25 substantial benefits for the Aggrieved Employees and the State of California, while avoiding the
26 cost, delay, and uncertainty of further litigation. The mediation culminated with a mediator's
27 proposal that was accepted by the Parties.
28

1 **III. TERMS OF THE AGREEMENT**

2 14. **Plaintiff will Amend the LWDA Letter and Complaint.** Plaintiff will file and serve
3 an amended LWDA letter to include allegations related to violations based on underpayment of
4 overtime and double time wages, including, but not limited to, the incorrect calculation of the
5 regular rate of pay. Plaintiff will subsequently amend the Complaint to include allegations related
6 to violations based on underpayment of overtime and double time wages including, but not limited
7 to, the incorrect calculation of the regular rate of pay. The Parties agree that Plaintiff's theories
8 relating to the alleged underpayment of overtime and double time wages were discussed during the
9 mediation and a release of any claim for PAGA penalties premised on such theories was a material
10 part of the Parties' agreement to resolve the Action.

11 15. **Court Approval of the Settlement.** The Parties will present this Agreement to the
12 Court and will request that the Court issue an order approving and incorporating by reference the
13 terms and conditions of this Agreement and dismissing the Action with prejudice (the "Order").
14 Plaintiff's Counsel will be responsible for drafting and filing all documents necessary to obtain the
15 Order.

16 16. **Delivery of the List of Aggrieved Employees.** As soon as practicable, but no later
17 than 15 business days after the Effective Date, Defendant will provide the Settlement Administrator
18 with a confidential list containing the Aggrieved Employees' names, last known addresses, last
19 known telephone numbers, and social security numbers, which will be used to send the Individual
20 Settlement Payments to Aggrieved Employees. Defendant will also provide the Settlement
21 Administrator with the number of pay periods worked by each Aggrieved Employee in in California
22 during the Settlement Period. Data provided by Defendant shall be kept confidential by the
23 Settlement Administrator except for purposes of administering the settlement. The Settlement
24 Administrator shall not share any personally-identifying Aggrieved Employee data with Plaintiff's
25 Counsel, but may disclose the number of Aggrieved Employees, the number of pay periods worked
26 by each Aggrieved Employee in California during the Settlement Period (with names redacted), and
27 their Individual Settlement Payments (with names redacted).

1 **17. Funding of the Settlement.** Within 20 business days after the Effective Date,
2 Defendant will deposit the PAGA Gross Settlement Amount into a Qualified Settlement Account
3 ("QSA") to be established by the Settlement Administrator.

4 **18. Settlement Payments.** Within 15 calendar days of the funding of the QSA, the
5 Settlement Administrator shall issue the following payments from the QSA: (a) the Individual
6 Settlement Payments to Aggrieved Employees (including Plaintiff); (b) the LWDA PAGA Payment
7 (as defined below) to the LWDA; (c) Plaintiff's Individual Claim Payment to Plaintiff;
8 (d) Attorney's Fees and Costs to Plaintiff's Counsel; and (e) the Administration Fees to itself. The
9 Settlement Administrator, and not Defendant, will issue appropriate tax forms for all payments
10 issued under this Settlement, if and as required by law as determined by the Settlement
11 Administrator. Because the payments made under this Agreement will be made with respect to only
12 the PAGA claims for all Aggrieved Employees and the individual claims for Plaintiff, this
13 Agreement is not subject to the rules governing the settlement of class or collective actions.
14 Accordingly, the settlement payments shall be distributed without a claims process or an opportunity
15 to object or opt out.

16 **19. Calculation of Individual Settlement Payments to Aggrieved Employees.** The
17 PAGA Net Settlement Amount will be distributed as follows:

18 a. 75% of the PAGA Net Settlement Amount shall be paid to the LWDA (the
19 "LWDA PAGA Payment"); and

20 b. The remaining 25% of the PAGA Net Settlement Amount (the "Aggrieved
21 Employee Settlement Amount") shall be distributed to all Aggrieved Employees, with each
22 Aggrieved Employee receiving an Individual Settlement Payment based on the number of pay
23 periods he or she worked for Defendant in California during the Settlement Period. The Aggrieved
24 Employee Settlement Amount will be divided by the total number of such pay periods to yield the
25 Pay Period Value. Each Aggrieved Employee shall be paid an Individual Settlement Payment equal
26 to their individual number of pay periods multiplied by the Pay Period Value.

27 **20. Distribution of Individual Settlement Payments to Aggrieved Employees.** The
28 Settlement Administrator will issue to each Aggrieved Employee a check in the amount of his or

1 her Individual Settlement Payment, along with an explanatory letter in the form attached hereto as
2 Exhibit A, within the time parameters set forth in paragraph 18 above. Checks shall remain
3 negotiable for 180 days. Any checks returned as non-deliverable on or before the check cashing
4 deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
5 thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
6 to determine the correct address using a skip-trace, or other search using the name, address, or Social
7 Security number of the Aggrieved Employee, and will then perform a single re-mailing. Funds
8 contained in the settlement checks that are returned as undeliverable and in settlement checks
9 uncashed for more than 180 days after issuance will be tendered to the California State Controller's
10 Office - Unclaimed Property Fund, to be held in the name of the Aggrieved Employee. The Parties
11 agree that this disposition results in no "unpaid residue" under California Code of Civil Procedure
12 section 384, as the entire PAGA Net Settlement Amount will be paid out to the Aggrieved
13 Employees. Therefore, Defendant will not be required to pay any interest on said amount. All
14 settlement payments to Aggrieved Employees will be treated as miscellaneous income for which a
15 1099 will be issued to the extent required by law.

16 **21. Attorneys' Fees and Costs.** As referenced above, Plaintiff's Counsel intends to
17 request, and Defendant agrees not to oppose, that the Court award Plaintiff's Counsel, (a) attorneys'
18 fees in an amount up to 35% of the PAGA Gross Settlement Amount, and (b) costs and expenses
19 incurred in representing the interests of the Aggrieved Employees up to \$12,000. These amounts
20 shall be paid from the PAGA Gross Settlement Amount. Defendant shall have no liability for any
21 other attorneys' fees or costs. If the Court approves a lesser amount for either fees or costs and
22 expenses, this will not impact the enforceability of this Agreement and the difference will remain
23 part of the PAGA Net Settlement Amount. The Settlement Administrator shall issue Plaintiff's
24 Counsel the Attorneys' Fees and Costs within the time parameters set forth in paragraph 18 above,
25 together with Forms 1099. Plaintiff's Counsel agree that they are solely responsible for paying all
26 applicable taxes on any payments they receive hereunder.

27 **22. Release of PAGA Claims.** Upon Court approval of the Settlement, dismissal of the
28 Action with prejudice, and subject to Defendant's full payment of the PAGA Gross Settlement

1 Amount, Plaintiff and Aggrieved Employees will fully and finally release and discharge Defendant
2 and its former, present and future owners, parents, subsidiaries, predecessors, and successors, and
3 all of their current, former and future officers, directors, members, managers, employees,
4 consultants, partners, shareholders, joint venturers, agents, successors, assigns, accountants,
5 insurers, and legal representatives ("Released Parties"), from all claims, rights, demands, liabilities
6 and causes of action for civil penalties under the PAGA that arose during employment in a non-
7 exempt position in California during the Settlement Period, based on the factual allegations pled in
8 the operative complaint in the Action.

9 **23. Additional General Release of Claims by Plaintiff Sanders.** Upon Court approval
10 of the Settlement, dismissal of the Action with prejudice, and subject to Defendant's full payment
11 of the PAGA Gross Settlement Amount, in addition to the release given by each Aggrieved
12 Employee, Plaintiff Sanders shall be deemed to have fully, finally, and forever released the Released
13 Parties from any and all claims, obligations, demands, actions, rights, causes of action, and liabilities
14 against the Released Parties, of whatever kind and nature, character, and description, whether in law
15 or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance,
16 regulation, common law, or other source of law, whether known or unknown, and whether
17 anticipated or unanticipated, including unknown claims covered by Civil Code Section 1542, arising
18 through the date of his signature hereon, for any type of relief, including, without limitation, claims
19 for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest,
20 attorneys' fees, litigation costs, restitution, or equitable relief. These claims include, but are not
21 limited to, the released PAGA claims, as well as any other claims under any provision of the
22 California Labor Code or any applicable California Industrial Welfare Commission Wage Orders,
23 and claims under local, state, or federal statutes, including, without limitation, the California Fair
24 Employment and Housing Act, California Government Code §§ 12940 *et seq.*; the Unruh Civil
25 Rights Act, California Civil Code §§ 51 *et seq.*; the California Constitution; Title VII of the Civil
26 Rights Act of 1964, 42 U.S.C. §§ 2000 *et seq.*; the Americans with Disabilities Act, 42 U.S.C.
27 §§ 12101 *et seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*;
28 the Family and Medical Leave Act; the California Family Rights Act; the Sarbanes-Oxley Act of

1 2002; the Occupational Safety and Health Act; the Families First Coronavirus Response Act; and
2 all of their implementing regulations and interpretive guidelines. With respect to these Released
3 Claims as described in this Section, Plaintiff Sanders shall be deemed to have expressly waived and
4 relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits he may
5 otherwise have had pursuant to Section 1542 of the California Civil Code, which provides as
6 follows:

7 **A general release does not extend to claims that the creditor or releasing party**
8 **does not know or suspect to exist in his or her favor at the time of executing the**
9 **release and that, if known by him or her, would have materially affected his or**
10 **her settlement with the debtor or released party.**

11 Notwithstanding Section 1542, Plaintiff understands and agrees that this Agreement shall act as a
12 release of all future claims that may arise from Plaintiff Sanders' employment or separation from
13 employment with Defendant, or any other matters that existed between Plaintiff Sanders and the
14 Released Parties up to the date of this Agreement, whether such claims are currently known or
15 unknown, and that Plaintiff intentionally waives any rights he may have under the provisions of
16 Section 1542, as well as under any other statutes or common law principles of similar effect in the
17 State of California or in any other state.

18 **24. No Credit Toward Benefit Plan.** Payments to Aggrieved Employees, including
19 Plaintiff, as referenced herein will not be utilized to calculate any additional benefits under any
20 benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-
21 sharing plans, bonus plans, 401(k) or 403(b) plans, vacation plans, sick leave plans, PTO plans, and
22 any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect any
23 rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any
24 benefit plans.

25 **25. Circular 230 Disclaimer.** Each Party to this Settlement Agreement acknowledges
26 and agrees that (1) no provision of this Agreement, and no written communication or disclosure
27 between or among the Parties or their attorneys or other advisors, is or was intended to be, nor will
28 any such communication or disclosure constitute or be construed or be relied upon as, tax advice

1 within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as
2 amended); (2) each Party (a) has relied exclusively upon her or its own, independent legal and tax
3 counsel for advice (including tax advice) in connection with this agreement, (b) has not entered into
4 this Agreement based upon the recommendation of any other Party or any attorney or advisor to any
5 other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or
6 advisor to any other Party to avoid any tax penalty that may be imposed on the Party; and (3) no
7 attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of
8 any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally
9 binding) upon disclosure by the Party of the tax treatment or tax structure of any transaction,
10 including any transaction contemplated by this Agreement.

11 **26. No Prior Assignment.** Plaintiff represents and warrants that he has not assigned or
12 transferred any portion of any claims, demands, obligations, causes of action, rights, or liabilities
13 that, but for such assignment or transfer, would be released under this Agreement.

14 **27. Nullification of Settlement Agreement.** Unless otherwise noted herein, if (i) the
15 Court does not approve the settlement as provided or (ii) the settlement does not become final for
16 any other reason, then this Agreement, the Memorandum of Understanding, and any documents
17 generated to bring it into effect will be null and void, and the Parties will be returned to their original,
18 respective positions.

19 **28. No Publicity; Confidentiality.** No party hereto (including the Parties' attorneys)
20 shall publicize this settlement, this Agreement, any terms of this Agreement (including, but not
21 limited to, the PAGA Gross Settlement Amount), or any information about the negotiations leading
22 to the execution of this Agreement. This includes, but not limited to, communications through any
23 social media and information available on the Parties' attorneys' websites, unless so ordered by the
24 Court. Nothing herein limits or purports to limit Plaintiff's Counsel's ability or right to respond to
25 Aggrieved Employee inquiries about this Settlement or to submit this Settlement to the LWDA and
26 the Court for the purpose of obtaining approval of the Settlement and in compliance with the
27 requirements of PAGA.
28

1 29. **Continued Jurisdiction.** After entry of the Order, the Court shall retain, and will
2 have continuing, jurisdiction solely for purposes of addressing: (i) the interpretation and
3 enforcement of the terms of this Agreement; (ii) settlement administration matters; and (iii) such
4 matters as may be appropriate under court rules or as set forth in this Agreement, as permitted by
5 Code of Civil Procedure section 664.6 and any other applicable law.

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

9 31. **Amendment or Modification.** This Agreement may be amended or modified only
10 by a written instrument, signed by both Parties, their successors-in-interest, or their counsel.

11 32. **Authorization to Enter into a Settlement Agreement.** Counsel for all Parties
12 warrant and represent they are expressly authorized by the Parties whom they represent to negotiate
13 this Agreement and to take all appropriate action required or permitted to be taken by such Parties
14 pursuant to this Agreement. The Parties and their counsel will cooperate with each other and use
15 their best efforts to effect the implementation of the settlement.

16 33. **Binding on Successors and Assigns.** This Agreement will be binding upon, and
17 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

18 34. **Governing Law.** All terms of this Agreement shall be governed by, and interpreted
19 according to, the laws of the State of California.

20 35. **Execution and Counterparts.** This Agreement is subject only to the execution of all
21 Parties. However, the Agreement may be executed in one or more counterparts. All executed
22 counterparts and each of them, including fax and scanned copies of the signature page, will be
23 deemed to be one and the same instrument.

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

28

1 37. **Construction and Interpretation.** Headings and paragraph titles are inserted as a
2 matter of convenience and for reference, and in no way define, limit, extend or describe the scope
3 of this Agreement or any of its provisions. Each term of the Agreement is contractual.

4 38. **Waiver.** No waiver of any condition or covenant contained in this Agreement or
5 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
6 constitute a further waiver by such party of the same or any other condition, covenant, right or
7 remedy.

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

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

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

22 42. **Cooperation and Execution of Necessary Documents; Stipulation/Motion for**
23 **Court Approval.** All Parties will cooperate in good faith and execute all documents to the extent
24 reasonably necessary to effectuate the terms of this Agreement. Plaintiff's Counsel shall prepare
25 and file a joint stipulation for Court approval of the Settlement (or a motion if required by the Court)
26 as soon as practicable. Plaintiff's Counsel shall submit the stipulation/motion to Defendant's
27 counsel for approval a reasonable time prior to filing.
28

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

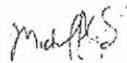
6 44. **Compliance with PAGA's Procedural Requirements.** Plaintiff agrees that
7 Plaintiff's Counsel will notify the LWDA of the Settlement at the same time this Settlement is
8 submitted to the Court for approval, and perform any and all statutory tasks as required by law
9 necessary to effectuate consummation and approval of this Settlement.

10 45. **Representation Regarding the Number of Aggrieved Employees.** Defendant
11 represents that there are no more than 200 Aggrieved Employees who worked no more than 5,000
12 pay periods in California during the Settlement Period through March 1, 2022. If the actual number
13 of pay periods during the Settlement Period is in excess of a 10% increase (e.g. exceeds 5,500 pay
14 periods), Defendant shall increase the PAGA Gross Settlement Amount in proportion to the increase
15 in pay periods over the 10% threshold (e.g., if the number of pay periods increases to 6,000, the
16 PAGA Gross Settlement Amount will increase by 10% [500/5,000] to \$165,000).

17 SO AGREED:

18 05 / 09 / 2022
19 Dated:

Plaintiff Michael Sanders

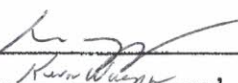


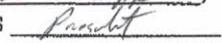
Michael Sanders

22 Dated:

Defendant KDW Automotive, Inc.

23 5/11/2022

24 By: 

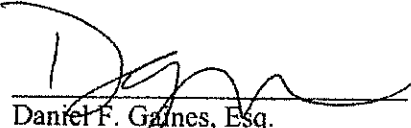
its 

1 APPROVED AS TO FORM, AND AGREED TO AS APPLICABLE:

2 Dated:

3 5/10/2022

GAINES & GAINES, APLC

4 
Daniel F. Gaines, Esq.
5 Counsel for Plaintiff

6
7 Dated: June 14, 2022

FISHER & PHILLIPS LLP

8 
9 John A. Mavros, Esq.
10 Counsel for Defendant

1 EXHIBIT A

2 Date

3 NOTICE OF SETTLEMENT

4 Los Angeles County Superior Court Case No. _____
5 Case Name: *Michael Sanders v. KDW Automotive, Inc.*

6 «FirstName» «LastName»
7 «Address1» «Address2»
8 «City» «State» «Zip»

9 You are receiving the enclosed check in settlement of a lawsuit entitled Michael Sanders,
10 on behalf of himself and all "aggrieved employees" pursuant to Labor Code § 2698 et seq.,
11 "Plaintiffs," v. KDW Automotive, Inc., a Delaware corporation, and DOES 1 through 10,
12 inclusive, ("Defendant"), Superior Court of the State of California, County of Los Angeles, Case
13 Number 21GDCV00857 (the "Lawsuit").

14 In the Lawsuit, Plaintiff pursued various claims for penalties against Defendant under the
15 California Private Attorneys General Act of 2004 ("PAGA") related to underpaid wages,
16 underpaid meal and rest period premiums, inaccurate wage statements, and late payment of final
17 wages. Defendant denies Plaintiff's claims in their entirety, and asserts it complied with the
18 applicable law. However, the parties believe that continued litigation would be protracted,
19 expensive, uncertain, and contrary to their best interests and, therefore, agreed to settlement of this
20 lawsuit. The court has not ruled on the merits of this lawsuit, but it has approved the civil
21 penalties settlement amount to be paid by Defendant. The settlement addresses claims for PAGA
22 penalties on behalf of all non-exempt employees of KDW Automotive, Inc. employed in
23 California at any time between April 8, 2020 and April 10, 2022. No wage claims are released or
24 otherwise affected by this settlement.

25 According to Defendant's records, you are an Aggrieved Employee and are therefore
26 entitled to a share of the settlement. Enclosed with this Notice is your settlement check. The
27 settlement check shall remain valid for one hundred eighty (180) calendar days. Checks remaining
28 un-cashed for more than 180 days after issuance will become void and the outstanding balance
will be tendered to the California State Controller's Office - Unclaimed Property Fund, to be held
in your name.

If you have additional questions, you may contact the lawyers for Plaintiff:

Daniel F. Gaines
Alex P. Katofsky
GAINES & GAINES, APLC
4550 E. Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362
daniel@gaineslawfirm.com
Phone: (866) 550-0855