

CLASS AND REPRESENTATIVE ACTION SETTLEMENT AGREEMENT

AND RELEASE

This Class and Representative Action Settlement Agreement and Release (“Settlement” or “Agreement”) encompasses two (2) actions which have been consolidated for all purposes in the Los Angeles County Superior Court: (1) A class action complaint originally filed on April 22, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV15403 (the “Class Action”); and (2) A Private Attorneys General Act (“PAGA”) representative action complaint originally filed on November 1, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV23780 (the “PAGA Action”) (collectively, the Class Action and PAGA Action are the “Lawsuits”). The Lawsuits are now proceeding under Case No. 21STCV15403.

This Agreement is entered into between Plaintiff JESUS LOPEZ, individually, and as a representative for the alleged class and aggrieved employees described below (“Plaintiff”), on one hand, and Defendant ECOLOGY AUTO PARTS, INC., (“EAP” or “Defendant”), on the other hand.

The Parties intend this Agreement to fully, finally, and forever resolve, discharge and settle the “Released Claims” (as defined below) on a class and representative action basis pertaining to the “Released Parties” (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon Final Court approval of: (i) this Agreement; (ii) the approval of the Class for the sole purpose of settlement, and (iii) the payment of the consideration set forth herein, contains the essential terms of the Parties’ agreement. The Plaintiff and Class Counsel believe, and the Parties have agreed, that the Settlement set forth herein confers substantial benefits upon the Class Members.

I. DEFINITIONS

1. Class Counsel

“Class Counsel” means JAMES HAWKINS APLC who, subject to Court approval, shall act as counsel for the Class.

2. Class Counsel Award

“Class Counsel Award” means attorneys’ fees and legal costs for Class Counsel’s litigation and resolution of the Lawsuits.

3. Class Information

“Class Information” means information regarding Class Members that Defendant will compile from its records and provide to the Settlement Administrator in an excel spreadsheet, including each Class Member’s full name; last known address; social security number; dates of employment; and the total number of workweeks during which each Class Member performed work for Defendant during the Class Period.

4. Class Members

“Class Member(s)” or “Class” means all current and former non-exempt employees employed by Defendant in California or continuing to be employed by Defendant in California between April 22, 2017 and the earlier of December 31, 2022 or the date of preliminary approval of this settlement. Defendant estimated for purposes of mediation that there are: 35,916 workweeks worked by 377 Class Members as of September 16, 2022.

5. Class Periods

“Class Period” is between April 22, 2017 and the earlier of December 31, 2022 or the date of preliminary approval of this settlement.

6. Class Representative

“Class Representative” means Plaintiff Jesus Lopez, subject to Court approval.

7. Class Representative’s Enhancement Award

“Class Representative’s Enhancement Award” means the amount that the Court authorizes to be paid to Plaintiff, in recognition of Plaintiff’s efforts and risks in assisting with the prosecution of the Lawsuits and in return for executing a general release with Defendant. Said enhancement is not to exceed \$10,000.00.

8. Complaint

“Complaint(s)” means the operative complaints filed in the Lawsuits.

9. Court

“Court” means the California Superior Court for the County of Los Angeles.

10. Effective Date

“Effective Date” means the date on which the Court’s order granting Final Approval of this Settlement becomes final. Such order becomes final upon any of the following events: (i) sixty five (65) days after the Court issues the order granting Final Approval of this Settlement and Final Judgment consistent with the terms of this Agreement if no objections to the settlement are filed; or (ii) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal’s decision passes and no further review is requested; or (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal’s decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or (iv) if review is accepted, the day after the California Supreme Court affirms the Final Judgment and final approval or order approving the Settlement.

11. Eligible Workweek

“Eligible Workweek(s)” means any workweek in which a Class Member worked for at least more than four hours in any one day in California as an employee of Defendant, during the Class Period, according to Defendant’s records.

12. Final Approval Hearing

“Final Approval Hearing” means the final hearing held by the Court to ascertain the fairness, reasonableness, and adequacy of the Settlement.

13. Final Judgment

“Final Judgment” means a judgment issued by the Court approving this Settlement consistent with the terms of this Agreement as binding upon the Parties. The Final Judgment shall constitute a judgment respecting the Parties within the meaning and for purposes of California Code of Civil Procedure sections 577, 581d, and 904.1(a), and on the PAGA claims for purposes of enforcing the rule announced in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009).

14. Individual PAGA Payment

“Individual PAGA Payment(s)” means the pro rata share of the twenty-five percent (25%) amount of the PAGA Payment allocated to the PAGA Settlement Group Members that each PAGA Settlement Group Member will receive, without regard to whether he or she is a Class Member or Participating Class Member. PAGA Settlement Group Members will not have the opportunity to opt out or object to the PAGA Payment and/or PAGA Release set forth in this Agreement although the PAGA settlement will be subject to Court approval.

15. Individual Settlement Payment

“Individual Settlement Payment(s)” means the amount paid from the Net Settlement Amount to a Participating Class Member. Any Class Member who timely submits a Request for Exclusion pursuant to the procedures set forth herein is not a Participating Class Member and is not eligible to receive an Individual Settlement Payment.

16. LWDA

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

17. Net Settlement Amount

“Net Settlement Amount” means the Total Settlement Amount less the Court-approved Class Counsel Award, Class Representative’s Enhancement Award, PAGA Payment, and Settlement Administration Costs. The Net Settlement Amount is the amount that will be paid to Participating Class Members, in the form of Individual Settlement Payments.

18. Class Notice

“Class Notice” means the Notice of Class and Representative Action Settlement approved by the Parties and subject to Court approval, substantially in the form of Exhibit A hereto, explaining the terms of this Agreement and the settlement process, which the Settlement Administrator will mail to each Class Member.

19. PAGA

“PAGA” refers to the Labor Code Private Attorneys General Act of 2004, Labor Code § 2699 et seq.

20. PAGA Payment

“PAGA Payment” means the payment in the amount of \$50,000, or other amount ordered by the Court, to be paid out of the Total Settlement Amount to the LWDA and PAGA Settlement Group Members in settlement of all claims for PAGA penalties.

21. PAGA Period

Means April 22, 2020 to the earlier of preliminary approval or December 31, 2022.

22. PAGA Settlement Group Member

“PAGA Settlement Group Member(s)” refers to all Class Members employed by Defendant April 22, 2020 to the earlier of preliminary approval or December 31, 2022. Each PAGA Settlement Group Member will be paid an Individual PAGA Payment.

23. PAGA Release

“PAGA Release” shall mean any and all claims and/or causes of action for civil penalties and other relief available pursuant to PAGA against Released Parties that were or could have been pled based on any and all of the underlying allegations and/or the alleged Labor Code violations pled in the original and amended Complaints in the Lawsuits and/or the LWDA notice during the PAGA Period. Class Members who are PAGA Settlement Group Members and opt out of the Settlement will still be bound by the PAGA Release.

24. Participating Class Members

“Participating Class Members” means those Class Members who do not submit a valid and timely Request for Exclusion consistent with the procedures set forth in this Agreement.

25. Parties

“Parties” means Plaintiff and Defendant, collectively.

26. Preliminary Approval Date

“Preliminary Approval Date” means the date on which the Court issues an order granting preliminary approval of the proposed Settlement consistent with this Agreement.

27. Qualified Settlement Fund

“Qualified Settlement Fund” or “QSF” means the account established by the Settlement Administrator which the Parties agree will at all times be treated as a “qualified settlement fund”

within the meaning of Treas. Reg. §1.468B-1, *et seq.* The Parties agree the Settlement Administrator shall, in establishing the account, make any such elections as necessary or advisable to carry out the “relation back election” (as defined in Treas. Reg. §1.468B-1(j)(2)(i)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary Parties, and to cause the appropriate filing to occur. The Parties further agree and acknowledge that, for purposes of Section 468B of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury Regulations promulgated thereunder, only the Defendant shall be treated as a “transferor” (within the meaning of such term under Treasury Regulations §1.468B-1(d)(1)) with respect to the Qualified Settlement Fund.

28. Released Claims

All claims and/or causes of action arising from or related to this case under any federal, state or local law or administrative order that were or could have been plead based on the facts alleged in the operative class action and PAGA complaint and amendments, PAGA notice letters and amendments, and administrative claims, whether known or unknown, including without limitation the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, and any other claims whatsoever that were or could have been alleged in this case based on the facts of the complaints, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, including but not limited to California Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802; related IWC Wage Orders including Wage Order Nos. 5 and 7; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.* (“Released Claims”).

29. Released Parties

“Released Parties” means Defendant and each of their respective parent companies, subsidiaries, affiliates, joint ventures, predecessors, successors, and related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and anyone else acting for any of them.

30. Request for Exclusion

“Request for Exclusion” means a letter setting forth a Class Member’s name, present address, and a statement electing to be excluded from the Settlement. Specific details of how to submit a “Request for Exclusion” will be provided in the Class Notice. However, any Class Members who timely and properly submit a Request for Exclusion will still receive an Individual PAGA Payment and be bound by the terms of the PAGA Release if the Class Members are PAGA Settlement Group Members.

31. Response Deadline

“Response Deadline” means the date forty-five (45) days after the Settlement Administrator mails the Class Notice, which is the last date on which Class Members may: (a) submit a Request for Exclusion; (b) file and serve objections to the Settlement; or (c) dispute the information contained in the Class Notice.

32. Settlement Administrator

“Settlement Administrator” means ILYM Group, Inc., the third-party Settlement Administrator mutually agreed to by the Parties and appointed by the Court upon Class Counsel’s motion for preliminary approval of this Settlement.

33. Settlement Administrator Costs

“Settlement Administrator Costs” means the amount to be paid to the Settlement Administrator from the Total Settlement Amount for administration of this Settlement. References herein to actions and responsibilities of the Settlement Administrator shall be to those actions and responsibilities it shall take as set forth in the Agreement.

34. Total Settlement Amount

“Total Settlement Amount” means the total maximum amount payable under the terms of this Agreement by Defendant, which is the gross sum of \$1,000,000.00 and includes, without limitation: the Individual Settlement Payments to Participating Class Members; PAGA Payment; payment of Settlement Administration Costs as approved by the Court; any Class Representative’s Enhancement Award to Plaintiff as approved by the Court; and a payment to Class Counsel of attorneys’ fees and reasonable litigation costs which shall be determined by motion with the Court. Payment of the amount necessary to cover the employer’s portion of payroll taxes associated with the 15% portion of the Individual Settlement Payments allocated to wages shall be made by Defendant, separate and apart from the Total Settlement Amount. The Settlement Administrator will make all required tax deductions and payments using a Qualified Settlement Fund. As set forth herein, the Settlement Administrator will issue all of the above-referenced payments from the Qualified Settlement Fund in accordance with the applicable provisions of this Agreement.

II. RECITALS

1. Class Certification.

The Parties stipulate to class certification for the specific limited purpose of Class Settlement only. If the Court does not grant either preliminary or final approval of this Settlement, the Parties agree that this stipulation regarding class certification will become null and void.

2. Procedural History.

On April 22, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV15403 (the “Class Action”) was filed; and a Private Attorneys General Act (“PAGA”) representative action complaint was originally filed on November 1, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV23780 (the “PAGA Action”) (collectively, the Class Action and PAGA Action are the “Lawsuits”). The Lawsuits seek damages and penalties for Defendant’s alleged failure to: failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, and any other claims whatsoever that were or could have been

alleged in this case based on the facts of the complaints, including all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, and penalties under the Labor Code Private Attorneys General Act of 2004.

On September 22, 2022, the Parties engaged in private mediation with a well-respected wage and hour class action mediator, Lou Marlin, Esq. Prior to mediation, Plaintiff requested and Defendant produced extensive documentation including time and pay data, policy documents, class size information, information on the number of pay periods and workweeks, and information regarding the hourly rates and workweek. In short, Defendant provided informal discovery sufficient to enable the Plaintiff and Class Counsel to rigorously evaluate the strengths, weaknesses, and risks of the case and perform an analysis of the potential damages arising from the claims made in this case.

Defendant denies any liability or wrongdoing of any kind associated with the claims asserted in the Lawsuits, disputes the damages and penalties claimed by Plaintiff, and further contends that, for any purpose other than settlement, Plaintiff's claims are not appropriate for class or representative treatment. This Settlement is a compromise of disputed claims. Nothing contained in this Settlement, no documents referred to herein, and no action taken to carry out this Settlement, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Lawsuits. Defendant contends, among other things, that, at all times, it has complied with all applicable state, federal and local laws related to the Class Members' and PAGA Settlement Group Members' employment. Nevertheless, Defendant has entered into this Settlement to avoid the cost, risk and inconvenience of further litigation. Nothing contained in this Settlement, nor the fact of this Settlement itself, shall be construed or deemed as an admission of liability, or wrongdoing on the part of any of the Defendant, or an admission that class or representative action treatment would be allowed outside the settlement context. Pursuant to California Evidence Code sections 1152 and 1154, this Settlement shall be inadmissible in evidence in any proceeding; except that the Settlement may be filed and used in this litigation or any related litigation as necessary to approve, interpret, or enforce this Settlement, or in any

subsequent action against or by Defendant to support a stay of such subsequent action, or to establish a defense of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

The Class Representative is represented by Class Counsel. Class Counsel investigated the facts relevant to the Lawsuits, including reviewing documents and information provided by Defendant. Based on their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendant is fair, reasonable and adequate, and in the best interest of the Class Members in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding a class trial, and numerous potential appellate issues. Although Defendant denies any liability, Defendant is agreeing to this Settlement to avoid the cost, distraction, and risks of further litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle, compromise and discharge all disputes and claims arising from or relating to the Lawsuits on the terms set forth herein.

3. Benefits of Settlement to Class Members.

Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Plaintiff has taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Lawsuits, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages for the Class Members. Plaintiff and Class Counsel have considered Defendant's agreement to enter into a settlement that confers substantial relief upon the Class Members. Based on the foregoing, Class Counsel have concluded that settlement for the consideration and on the terms set forth in this Agreement, is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risk of delay, defenses asserted by Defendant, numerous potential appellate issues, and other risks inherent in litigation.

4. Defendant's Reasons for Settlement.

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have been and, unless this Settlement is completed, will continue to be devoted to, the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching their decision to enter into this Settlement. Even though Defendant continues to contend that they are not liable for any of the claims set forth by Plaintiff in the Lawsuits, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims in the Lawsuits. Defendant maintains that they have complied with all applicable state, federal, and local laws and settlement of the Lawsuits shall not be construed as an admission of any wrongdoing by Defendant.

5. Settlement of Disputed Claims.

This Agreement is a compromise of disputed claims. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendant has claimed and continues to claim that the Released Claims and the claims within the PAGA Release have no merit and do not give rise to liability. Nothing contained in this Agreement, no documents referred to herein, and no action taken to carry out this Agreement, may be construed or used as an admission by Defendant as to the merits of any of the claims asserted in the Lawsuits or the suitability of the Lawsuits for class or representative action treatment.

III. TERMS OF AGREEMENT

1. Release as To All Participating Class Members.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, the Participating Class Members, including Plaintiff, shall be deemed to have fully released the Released Parties from the Released Claims. These releases will take effect whether or not a Participating Class Member receives his or her Individual Settlement Payment or cashes and deposits any check for the Individual Settlement Payment.

2. PAGA Release as to All Members of PAGA Settlement Group.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, all PAGA Settlement Group Members, including Plaintiff and the State of California, shall be deemed to have fully released the Released Parties from any and all claims contemplated under the PAGA Release. These releases will take effect whether or not a PAGA Settlement Group Member receives his or her Individual PAGA Payment or cashes and deposits any check for the Individual PAGA Payment.

3. Release of Claims by Plaintiff.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, Plaintiff releases, for himself only, the Released Parties from all known and unknown claims against the Released Parties, including without limitation any Released Claims as well as other wage and hour claims, claims under California Business & Professions Code section 17200, claims under the Labor Code, including, but not limited to, claims under the PAGA, and all claims for indemnity or reimbursement of business expenses, overtime compensation, minimum wages, penalties, liquidated damages, and interest, and all other claims under state, federal, and local laws, including, without limitation, California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, and all of their implementing regulations and interpretive guidelines, as well as the common law, including laws related to discrimination, harassment, or retaliation, whether known or unknown, and whether anticipated or unanticipated, arising from or relating to Plaintiff's relationship, or termination of relationship, with any Released Party through the date of Final Approval for any type of relief. Plaintiff further covenants that he will not become a member of any other legal actions against the Released Parties, as that term is defined, asserting any of Plaintiff's released claims, and will opt out of any such actions if necessary. For the avoidance of doubt, this is a complete and general release to the maximum extent permitted by law.

Plaintiff's release set forth herein includes a waiver of all rights under California Civil Code §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 may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but Plaintiff expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant.

4. Tax Treatment.

All Individual Settlement Payments shall be allocated as follows: 15% as wages, 10% as interest, and 75% as penalties (\$50,000.00 of that amount to be attributed to PAGA penalties) and liquidated damages. The portion of Individual Settlement Payments allocated as wages shall be subject to required withholdings and deductions by the Settlement Administrator and shall be reported on Form W-2 (and such other state or local tax reporting forms as may be required by law) with respect to the year of payment. Individual PAGA Payments shall be treated 100% as non-wage payments for alleged penalties and shall not be subject to any withholdings or deductions. The Settlement Administrator shall issue I.R.S. Form 1099 if required for all non-wage payments. Defendant shall solely be responsible for paying the employer's share of payroll taxes on the amounts allocated as wages, which amount shall be paid separately from the Total Settlement Amount. Plaintiff and any Class Member should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

5. Circular 230 Disclaimer.

Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure

between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

6. Preliminary Approval of Settlement.

Plaintiff will move the Court to grant preliminary approval of this Settlement consistent with the terms of this Agreement, certifying the Class for settlement purposes only and setting a date for a Final Approval Hearing. Class Counsel shall be responsible for preparing the Motion for Preliminary Approval, supporting declarations, and exhibits thereto, for preliminary approval by the Court. Plaintiff shall obtain a hearing on a date agreed upon by all counsel, before the Court to request the preliminary approval of the Settlement, and the entry of an order preliminarily approving the proposed Settlement and setting a date for a Final Approval Hearing. All Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. On the same date on which the Settlement is filed with the Court, Class Counsel shall concurrently submit it to the LWDA in compliance with PAGA. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting preliminary approval.

7. Settlement Administrator.

Within fifteen (15) calendar days of the Court granting preliminary approval of this Agreement, Defendant shall provide the Settlement Administrator with the Class Information for purposes of mailing the Class Notice. The Settlement Administrator shall maintain the Class Information as private and confidential and shall not disclose such data to any persons or entities other than Counsel for Defendant, except that, subject to Defendant's approval, relevant information can be provided to Class Counsel if necessary for Class Counsel to respond to inquiries or requests from Class Members. The Class Information is being supplied solely for purposes of the administration of the Settlement set forth in this Agreement and cannot be used by the Settlement Administrator or Class Counsel for any other purpose. The Parties agree that the Class Information will not be used to solicit Class Members to file any claim, charge, or complaint of any kind whatsoever against the Defendant and/or the Released Parties and will only be used to administer the Settlement under the terms provided herein.

No later than three (3) calendar days after receipt of the Class Information, the Settlement Administrator shall notify counsel for the Parties that the list has been received and state the number of Class Members on the list.

a. Notice by First Class U.S. Mail.

Within 20 days of receipt of the Class Information, the Settlement Administrator will mail copies of the Class Notice via regular First-Class U.S. Mail. The form of the proposed Class Notice will be agreed to by the Parties, and subject to Court approval and modification as necessary to fulfill the Parties' desire to resolve the Lawsuits.

b. Undeliverable Notices.

Any Class Notice returned to the Settlement Administrator as undeliverable on or before the Response Deadline shall be re-mailed once to the forwarding address affixed thereto. If no forwarding address is affixed, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address and/or social security number of the Class Member whose notice was undeliverable, and shall then re-mail all returned, undelivered mail within ten (10) days of receiving notice that a Class Notice was undeliverable. Class Members who receive a re-mailed Class Notice shall have their Response

Deadline extended twenty (20) days from the original Response Deadline.

c. Disputes Regarding Individual Settlement Payments.

Class Members who disagree with the number of Eligible Workweeks stated on their Class Notice may provide documentation and/or a written explanation to the Settlement Administrator to show contrary information by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine a Class Member's eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment will be binding upon the Class Members and the Parties. Defendant's records will be given a rebuttable presumption of accuracy.

d. Disputes Regarding Administration of Settlement.

Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to attempt to resolve the dispute without involving the Court.

e. Exclusions.

Individuals who fall within the definition of the Class may choose to exclude themselves as Participating Class Members. The Class Notice shall state that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must be in writing and: (1) contain the name and address of the Class Member requesting exclusion; (2) contain a statement expressing that the Class Member elects to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address. The date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted.

Any Class Members who exclude themselves from the Settlement will not receive an Individual Settlement Payment and will not be bound by the Released Claims, but will be bound by the PAGA Release and will be sent their Individual PAGA Payment provided that the Class Members are PAGA Settlement Group Members.

Every Class Member who does not validly and timely exclude themselves shall be deemed a Participating Class Member. The Parties' counsel shall receive a copy of all valid Requests for Exclusion from the Settlement Administrator within ten (10) calendar days after the Response Deadline.

f. Objections.

The Class Notice shall state that Class Members who wish to object to the Settlement may do so in person at the Final Approval Hearing and/or in writing. Any written objection ("Notice of Objection") must be mailed to the Settlement Administrator by the Response Deadline. The date of mailing on the envelope shall be deemed the exclusive means for determining that a Notice of Objection was timely received. The Notice of Objection must be signed by the Class Member and state: (1) the full name and address of the objecting Class Member; (2) the basis for the objection; and (3) whether the Class Member intends to appear at the Final Approval Hearing. Class Counsel will ensure that any Notice of Objection received by the Settlement Administrator by the Response Deadline is filed with the Court along with the Motion for Final Approval. Any of the Parties may file a response to any objection before the Final Approval Hearing. Any attorney who will represent an individual objecting to this Settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and counsel for Defendant with this notice no later than the Response Deadline. It will also inform Class Members that if they first request exclusion from, and opt out of, the Class and then object, the objections would not be considered valid and that if the Class Members object and then request exclusion from, and opt out of the Class, the Class Members would be deemed to have waived their objection.

8. No Solicitation of Settlement Objections or Exclusions.

The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members

to submit either written objections to the Settlement or Requests for Exclusion, or to appeal from the Court's Final Judgment.

9. Funding of the Qualified Settlement Fund.

No later than five (5) calendar days after the Effective Date, the Settlement Administrator shall send Defendant's Counsel electronic wiring instructions for paying the Total Settlement Amount (\$1,000,000.00) into the QSF and shall inform Defendant of the amount to be sent to the QSF to pay for the employer's share of payroll taxes under this Settlement. No later than ten (10) calendar days after the Effective Date, Defendant shall fund the QSF.

10. Net Settlement Amount.

The Net Settlement Amount will be determined by the Settlement Administrator by subtracting the Class Counsel Award, Class Representative's Enhancement Award, PAGA Payment, and Settlement Administrator Costs approved by the Court from the Total Settlement Amount. The anticipated Net Settlement Amount is \$584,166.67. The Parties estimate the amount of the Net Settlement Amount to be calculated as follows:

Total Settlement Amount:	\$1,000,000.00
Requested Class Rep. Enhancement Award:	\$10,000.00
Requested Class Counsel Fees:	\$333,333.33
Requested Class Counsel Costs:	\$25,000.00
75% of PAGA Payment to the LWDA:	\$37,500.00
Settlement Administrator Costs:	\$10,000.00
Net Settlement Amount	\$584,166.67

This is a non-reversionary Settlement in which Defendant will pay the entire Total Settlement Amount. No portion of the Total Settlement Amount will revert to Defendant. Any award of less than the amounts requested for enhancements, administrative costs, litigation costs, or attorneys' fees will be returned to the Net Settlement Amount and distributed to the Class.

a. Individual Settlement Payments.

Individual Settlement Payments will be paid from the Net Settlement Amount and shall be paid pursuant to the settlement formula as follows: (i) using the Class Information, the Settlement Administrator will compute the total number of Eligible Workweeks of all Participating Class Members collectively during the Class Period; this sum shall be known as the Workweek Total; (ii) the Settlement Administrator will divide the Net Settlement Amount by the Workweek Total to determine the settlement value for each Eligible Workweek (the “Workweek Value”); and (iii) the Settlement Administrator will multiply the number of Eligible Workweeks of a Participating Class Member during the Class Period by the Workweek Value to determine that Participating Class Member’s Individual Settlement Payment.

Participating Class Members and Class Counsel shall be solely responsible for the reporting and payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the payments made pursuant to this Settlement. Defendant makes no representation, and it is understood and agreed that Defendant has made no representation, as to the taxability to any Class Members of any portion of the Individual Settlement Payments, Individual PAGA Payments, the payment of any Class Counsel Award, or the payment of the Class Representative’s Enhancement Award. The Class Notice will advise each Class Member to seek his/her own personal tax advice prior to acting in response to the Class Notice, and Defendant, the Class Representative, and Class Counsel agree that each Class Member will have an adequate opportunity to seek tax advice prior to acting in response to the Class Notice.

The Settlement Administrator will report each payment made from the Qualified Settlement Fund to state and federal government authorities, including the Internal Revenue Service, to the extent required by law.

Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to each Participating Class Member’s last known mailing address within fifteen (15) days after Defendant fully funds the Settlement.

11. Individual PAGA Payments

The Individual PAGA Payment will be an equal payment to all PAGA Settlement Group

Members, calculated as follows: 25% of the PAGA Payment divided by the number of PAGA Settlement Group Members Pay Periods. If any additional amount is ordered by the Court to be paid for PAGA civil penalties the court-ordered PAGA Payment shall be paid from the Total Settlement Amount; in no event shall Defendant be required to pay in excess of the Total Settlement Amount. Individual PAGA Payment checks shall be mailed by regular First-Class U.S. Mail to each PAGA Settlement Group Member's last known mailing address within fifteen (15) days after Defendant fully funds the Settlement.

12. Unclaimed Settlement Payment(s).

After one hundred and eighty (180) days of the mailing of the Individual Settlement Payment checks and Individual PAGA Payment checks, funds attributable to unclaimed, undeliverable, or expired checks ("Unclaimed Settlement Payments") shall be deposited as follows: twenty five percent 25% to the State Treasury for deposit in the Trial Court Improvement and Modernization Fund and Seventy-Five percent (75%) to Free To Thrive, a nonprofit organization helping survivors of human trafficking by providing restorative justice by expunging their criminal records to enable them to become gainfully employed and rejoin the community. The Parties and/or Counsel for the Parties do not have any interests or involvement within the governance or work of Free to Thrive. The Parties represent and warrant they have no affiliation with either of these entities.

13. Class Representative's Enhancement Awards.

Defendant agrees not to oppose or object to Plaintiff's application to the Court for a Class Representative's Enhancement Award of \$10,000.00. The Class Representative's Enhancement Award shall be paid by the Settlement Administrator to Plaintiff from the Total Settlement Amount no later than fifteen (15) days after Defendant fully funds the Settlement. The Class Representative's Enhancement Award shall be in addition to Plaintiff's Individual Settlement Payment as a Class Member. Any amount requested by Plaintiff for the Class Representative's Enhancement Award and not granted by the Court shall return to the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

14. Class Counsel Award.

Defendant agrees not to oppose or object to any application or motion by Class Counsel for attorneys' fees in the amount of up to thirty-three and one-third percent (\$333,333.33) of the Total Settlement Amount. Defendant further agrees not to oppose any application or motion by Class Counsel for the reimbursement of reasonable litigation costs and expenses associated with Class Counsel's prosecution of this matter, to be paid from the Total Settlement Amount, not to exceed \$25,000. Class Counsel shall be paid the Class Counsel Award by the Settlement Administrator no later than seven (7) days after Defendant fully funds the Settlement. Any amount requested by Class Counsel for the Class Counsel Award and not granted by the Court shall be included in the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement. Class Counsel have entered into a fee sharing agreement, consented to in writing by Plaintiff, which complies with the requirements of California law.

15. Settlement Administrator Costs.

The Parties agree to allocate up to \$10,000 of the Total Settlement Amount for Settlement Administrator Costs. The Settlement Administrator shall have the authority and obligation to make payments, credits and disbursements to Participating Class Members in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement administration process and to make reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement.

In the event an appeal is filed from the Court's Final Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, but any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Judgment or any other appellate review, shall be paid to the Settlement Administrator by Defendant within thirty (30) days of said notification.

a. Responsibilities of the Settlement Administrator.

In addition to establishing the Qualified Settlement Fund, the Settlement Administrator shall be responsible for the following: creating a plan of settlement administration and settlement

fund distribution; using the data provided by Defendant to calculate each Class Member's approximate Individual Settlement Payment; ascertaining the identity and whereabouts of the Class Members and mailing the Class Notice to them; communicating with Class Members as necessary; printing and mailing the Class Notice and tax forms to the Participating Class Members as directed by the Court; receiving and reporting Requests for Exclusion and objections; processing and mailing payments to Plaintiff, Class Counsel, and Participating Class Members; notifying the Parties of, and resolving any disputes regarding, the calculation of Class Members' Individual Settlement Payment; complying with all tax reporting notice and filing requirements; carrying out all other duties related to the Qualified Settlement Fund's documentation and filing; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; providing status reports as needed, among other administrative duties; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

16. Payment to the LWDA.

Seventy-five percent (75%) of the PAGA Payment will be paid by the Settlement Administrator to the LWDA from the funding of the Total Settlement Amount. Any additional amount ordered by the Court to be paid as the PAGA Payment shall be paid from the Total Settlement Amount; in no event shall Defendant be required to pay in excess of the Total Settlement Amount. The LWDA shall be paid its portion of the court-approved PAGA Payment no later than fifteen (15) days after Defendant fully funds the Settlement. Any amount requested for the PAGA Payment and not granted by the Court shall be included in the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

17. Final Approval Hearing and Entry of Final Judgment.

Upon expiration of the Response Deadline, with the Court's permission, a Final Approval Hearing shall be conducted to determine whether the Settlement will be finally approved, including

the requested Class Counsel Award, the requested Class Representative's Enhancement Award, the PAGA Payment, and Settlement Administrator Costs.

18. Final Approval Order.

The Parties will request that the Court enter, after the Final Approval Hearing, an order granting final approval and a Final Judgment. The proposed order granting final approval will certify the Class; find that this Agreement is fair, just, adequate, and in the best interests of the Class; approve the PAGA Payment; address other terms of the Settlement; and require the Parties to carry out the provisions of this Agreement. The Parties shall jointly prepare the proposed order granting final approval. Plaintiff shall be responsible for preparing the Motion for Final Approval, and any motion requesting the Class Counsel Award and Class Representative's Enhancement Award, supporting declarations, and exhibits thereto, for final approval by the Court. Class Counsel agrees to provide Counsel for Defendant with drafts of all documents they intend to submit in support of their Motion for Final Approval at least seven (7) days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on such papers and further agrees to reasonably incorporate the comments from Counsel for Defendant. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting final approval.

19. Nullification of Settlement/Options.

In the event: (i) the Court denies preliminary approval of the Settlement despite the reasonable efforts of the Parties; (ii) the Court denies final approval of the Settlement despite the reasonable efforts of the Parties; (iii) the Court refuses to enter a Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. In that event, any fees already incurred by the Settlement Administrator shall be split equally by the Parties.

If more than 5% of Class Members submit valid Requests for Exclusion, Defendant has the option to nullify this settlement within fifteen (15) business days of notification by the

Settlement Administrator after the Response Deadline of the total number of Requests for Exclusion, via a written notice to Plaintiff's counsel. If Defendant exercises this option, the Settlement will become void and unenforceable in its entirety and the Parties shall be returned to their status as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendant terminating the Settlement.

It is estimated that there are approximately 377 Class Members who worked an estimated 35,916 workweeks during the Class Period as of September 16, 2022. Should the number of workweeks in the Class Period increase by more than 15% (5,387 workweeks) or exceed a total of 41,303 workweeks, Defendant will have the option to increase the Gross Settlement Amount by a proportionate additional amount for each additional workweek or, if Defendant declines to exercise this option, the Gross Settlement Amount will cover no more than 5,387 additional workweeks (15% more than 35,916, the number of workweeks disclosed in advance of the mediation), and the Release date will be moved back to only cover the Class and PAGA Periods during which no more than 41,303 workweeks were worked by the Class Members.

20. Class Certification.

The Parties are agreeing to class certification for settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class for trial or any other purpose is appropriate or proper or that Plaintiff can establish any of the requisite elements for class or representative treatment of any of the claims in the Lawsuits.

If, for any reason, the Settlement is not approved, this Agreement will be void and the Parties will be restored to their respective positions as if the Class had never been certified. The Parties further agree that this Agreement will not be admissible in this or any other proceeding as evidence that: (i) a class action should be certified or not decertified; (ii) either matter may proceed as a representative action; or (iii) Defendant has any obligation or liability to Plaintiff or any Class Member other than according to the Settlement's terms. In the event the Settlement is not approved or otherwise voided, Defendant expressly reserves all rights to challenge certification of a class, or Plaintiff's ability to maintain a representative action, for all purposes.

21. Confidentiality Provision

The Parties agree to keep the Settlement confidential up to and until the Court grants preliminary approval of the Settlement, except as required to seek preliminary approval from the Court, including filing the Agreement with the Court. Thereafter, the Parties will agree to make no comments to the media, issue any press release, or otherwise publicize the terms of the Settlement, except that in response to media inquiries the Parties may refer the inquirer to the Settlement documents filed in Court. To the extent there are questions, the Parties will confer as to appropriate statements, if any, to be made. Plaintiff has been advised to keep this Settlement confidential until preliminary approval is granted.

22. No Effect on Employee Benefits.

Amounts paid to Plaintiff, Participating Class Members and/or PAGA Settlement Group Members pursuant to this Settlement shall be deemed not to have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.), if any, for which Plaintiff or Participating Class Members or PAGA Settlement Group Members were eligible during their employment.

23. No Admission by Defendant.

Defendant denies any and all claims alleged in the Lawsuits and denies all wrongdoing whatsoever. This Agreement is not a concession or admission and shall not be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant.

24. Representation.

All Parties have been represented by counsel throughout all negotiations which preceded the execution of this Settlement, and all Parties have been advised by counsel prior to entering into this Settlement.

Class Counsel represents that they do not currently represent any current or former employee who worked for Defendant in connection with any other filed or anticipated claims, charges, grievances, or complaints against Defendant. Class Counsel also represent that Class Counsel have not used any information obtained in the Lawsuits to solicit or assist any other

persons or attorneys to commence a claim or proceeding against Defendant.

25. Exhibits and Headings.

The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

26. Interim Stay of Proceedings.

Upon full execution of this Agreement, the Parties agree that the Lawsuits shall be stayed in their entirety except for the proceedings necessary to implement and complete the Settlement.

27. Amendment or Modification.

This Agreement may be amended or modified only by a written instrument signed by the Parties or their successors-in-interest.

28. Entire Agreement.

This Agreement and any attached Exhibits constitute the entire agreement among these Parties, and no oral or written representations, warranties, or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in the Agreement and its Exhibits. The Parties are entering into this Agreement based solely on the representations and warranties herein and not based on any promises, representation, and/or warranties not found herein.

29. Authorization to Enter into Settlement.

Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may

become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person signing this Agreement on behalf of Defendant represents and warrants that he or she is authorized to do so. Plaintiff represents and warrants that he is authorized to sign this Agreement and he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

30. Binding on Successors and Assigns.

This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto.

31. California Law Governs.

All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

32. Counterparts.

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

33. Jurisdiction of the Court.

Pursuant to California Code of Civil Procedure section 664.6 and as otherwise allowed by law, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

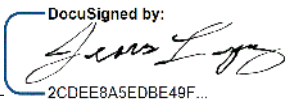
34. Invalidity of Any Provision.

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

WHEREFORE, Plaintiff, on behalf of himself and the Class Members and PAGA Settlement Group Members, and Defendant have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Dated: 2/27/2023

By:  2CDEE8A5EDBE49F...
JESUS LOPEZ

Dated: _____

ECOLOGY AUTO PARTS, INC.,

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: 2/27/2023

JAMES HAWKINS APLC

By: 
James R. Hawkins
Gregory Mauro
Michael Calvo
Attorneys for Plaintiff and the Proposed Class

Dated: _____

JACKSON LEWS, P.C.

By: _____
Paul F. Sorrentino
Attorneys for Defendant Ecology Auto Parts,
Inc.

IT IS SO AGREED:

Dated: _____

By: _____
JESUS LOPEZ

Dated: _____

ECOLOGY AUTO PARTS, INC.,

By: _____

Print Name: Arwin Simonian

Title: CEO

APPROVED AS TO FORM AND CONTENT:

Dated: _____

JAMES HAWKINS APLC

By: _____
James R. Hawkins
Gregory Mauro
Michael Calvo
Attorneys for Plaintiff and the Proposed Class

Dated: 2/27/23

JACKSON LEWS, P.C.

By: _____
Paul F. Sorrentino
Attorneys for Defendant Ecology Auto Parts,
Inc.