

Edwin Aiwarzian (SBN 232943)
Joanna Ghosh (SBN 272479)
Vartan Madoyan (SBN 279015)
LAWYERS for JUSTICE, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

IFTIKHAR KHAN, individually, and on behalf of
other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

PAC AUTO GROUP, INC., a California
corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No.: CIVSB2132675

Honorable Stephanie Tanada
Department S33

**[PROPOSED] ORDER AND JUDGMENT
GRANTING APPROVAL OF PRIVATE
ATTORNEYS GENERAL ACT (CAL. LABOR
CODE § 2698, ET SEQ.) SETTLEMENT
AGREEMENT AND AWARD OF
ATTORNEYS' FEES AND COSTS, GENERAL
RELEASE FEE, AND SETTLEMENT
ADMINISTRATION COSTS**

Date: August 5, 2025
Time: 8:30 a.m.
Department: S33

Complaint Filed: November 17, 2021
Trial Date: None Set

1 This matter has come before the Honorable Stephanie Tanada in Department S33 of the Superior
2 Court of the State of California, for the County of San Bernardino, on August 5, 2025 at 8:30 a.m., on
3 Plaintiff Iftikhar Khan’s (“Plaintiff”) First Amended Motion for Approval of Private Attorneys General
4 Act (Cal. Labor Code § 2698, *Et Seq.*) Settlement Agreement and Award of Attorneys’ Fees and Costs,
5 General Release Fee, and Settlement Administration Costs (“First Amended Motion for Approval of
6 Settlement”). Lawyers *for* Justice, PC appeared for Plaintiff and Madison Law, PC appeared for Defendant
7 PAC Auto Group, Inc. (“Defendant”).

8 On or around October 17, 2024, Plaintiff and Defendant (together, the “Parties”) executed the
9 Private Attorneys General Act Settlement Agreement and Release (“Settlement,” “Settlement Agreement,”
10 or “Agreement”). On December 17, 2024, Plaintiff filed his Motion for Approval of Private Attorneys
11 General Act Settlement Agreement and Release, Award of Attorneys’ Fees and Costs, General Release
12 Fee, and Settlement Administration Costs (“Original Motion for Approval”) and noticed the Original
13 Motion for Approval for February 11, 2025. On February 7, 2025, the issued an Order Continuing
14 Plaintiff’s Motion for Preliminary Approval of PAGA Settlement and Order for Revisions, which raised
15 points of inquiry, directing Plaintiff to file a First Amended Motion for Approval of Settlement (“February
16 7, 2025 Order”).

17 The Court has now reviewed and considered (1) the First Amended Motion for Approval of
18 Settlement, (2) the Declarations of Plaintiff’s Counsel Vartan Madoyan and Plaintiff Iftikhar Khan, and (3)
19 the Settlement Agreement.

20 Having duly considered the Parties’ papers and oral argument, and good cause appearing,

21 **IT IS HEREBY ORDERED AND ADJUDGED AS FOLLOWS:**

22 1. The Motion for Approval of Settlement is granted.
23 2. All terms used herein shall have the same meaning defined in the Settlement Agreement
24 attached hereto as “**EXHIBIT 1**”.

25 3. Unless otherwise specified, all citations and references to the Private Attorneys General Act
26 of 2004, California Labor Code sections 2698, et seq. (“PAGA”) are to the version of that statute prior to
27 the recent amendment effective July 1, 2024; the amended statute does not apply to the Actions, or the
28

Settlement pursuant to California Labor Code section 2699(v)(1), as amended, because the notice to the Labor and Workforce Development Agency (“LWDA”) was filed prior to June 19, 2024.

4. The Court finds that Plaintiff has satisfied the prerequisites under PAGA, including, and not limited to, providing the LWDA and Defendant with notice of the specific provisions of the California Labor Code alleged to have been violated, including, and not limited to, the facts and theories to support the alleged violations, in conformity with California Labor Code § 2699.3(a).

5. The Court also finds that the Settlement Agreement has been submitted to the LWDA in conformity with California Labor Code § 2699(l)(2) and that the LWDA has not sought to intervene or appear in the above-captioned action (“Action”).

6. The Settlement pertains to the following aggrieved employees:

All current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period (the “Aggrieved Employee(s)”).

7. The Court finds that the Parties reached the Settlement as a result of arm’s-length negotiations.

8. Pursuant to California Labor Code § 2699(l)(2), the Court has reviewed the sum allocated for payment of penalties under PAGA (“Net Settlement Amount”), and determines that it is fair, just, reasonable, and adequate. The Court hereby approves the Net Settlement Amount. The Net Settlement Amount shall be the Total Settlement Amount less the approved Attorneys’ Fees and Costs to Lawyers for Justice, PC (“Plaintiff’s Counsel”), General Release Fee to Plaintiff, and Settlement Administration Costs to Phoenix Class Action Administration, Inc. (the “PAGA Settlement Administrator” or “Phoenix”). Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA (“LWDA Payment”); and the remaining 25% of the Net Settlement Amount will be distributed to the Aggrieved Employees (“Employees’ Portion”) in accordance with this Order and Judgment and the Settlement Agreement. The Total Settlement Amount is \$300,000.00, however, pursuant to Section 3(b) of the Settlement Agreement, if the actual number of Compensable Pay Periods during the period from September 13, 2020 to January 15, 2025, is more than ten percent (10%) above 7,411, the Total Settlement Amount will be increased by the percentage that the actual number exceeds 7,411 Compensable Pay Periods.

1 9. The Court has considered the Settlement, and the monetary allocations provided thereby,
2 and finds that they are fair, just, reasonable, and adequate. The Court hereby directs the PAGA Settlement
3 Administrator to administer the Settlement and to make the payments as provided for by, and consistent
4 with, this Order and Judgment and the Settlement Agreement.

5 10. The Court approves the payment of \$105,000.00 to Lawyers *for* Justice, PC for attorneys'
6 fees. This amount shall be paid from the Total Settlement Amount and shall be disbursed in accordance
7 with this Order and Judgment and the Settlement Agreement.

8 11. The Court approves the payment of \$16,153.22 to Lawyers *for* Justice, PC for
9 reimbursement of litigation costs and expenses incurred in the Action. This amount shall be paid from the
10 Total Settlement Amount and shall be disbursed in accordance with this Order and Judgment and the
11 Settlement Agreement.

12 12. The Court approves payment in the amount of \$10,000.00 to Plaintiff Iftikhar Khan for his
13 General Release Fee. This amount shall be paid from the Total Settlement Amount and shall be disbursed
14 in accordance with this Order and Judgment and the Settlement Agreement.

15 13. The Court approves payment up to the amount of \$7,000.00 to Phoenix for the Settlement
16 Administration Costs. This amount shall be paid from the Total Settlement Amount and shall be disbursed
17 in accordance with this Order and Judgment and the Settlement Agreement.

18 14. The Parties are directed to perform in accordance with the terms set forth in this Order and
19 Judgment and the Settlement Agreement.

20 15. The Court further finds that notice of the Settlement need not be provided to the Aggrieved
21 Employees; however, the Court approves the Cover Letter, attached hereto as “**EXHIBIT 2,**” and the
22 PAGA Settlement Administrator shall distribute the Cover Letter to the Aggrieved Employees at the same
23 time that it distributes payments to Aggrieved Employees for their share of the Employees’ Portion
24 (“Individual Settlement Share”).

25 16. On August 12, 2025, or no later than 7 calendar days after the date of this Order and
26 Judgment (whichever is later), Defendant will provide the PAGA Settlement Administrator with the
27 Aggrieved Employees List, in accordance with this Order and Judgment and the Settlement Agreement.
28

1 17. On August 19, 2025, or no later than 14 calendar days of the date of this Order and
2 Judgment (whichever is later), Defendant shall deposit the Total Settlement Amount into a qualified
3 settlement account established, by the PAGA Settlement Administrator for administration of the
4 Settlement in accordance with this Order and Judgment and the Settlement Agreement.

5 18. On August 19, 2025, or no later than 14 calendar days after the PAGA Settlement
6 Administrator receives the Aggrieved Employees List and Defendant fully funds the Total Settlement
7 Amount (whichever is later), the PAGA Settlement Administrator shall distribute the Cover Letter with
8 Individual Settlement Share checks to all Aggrieved Employees (together, the “PAGA Settlement
9 Packages”), the LWDA Payment to the LWDA, the General Release Fee to Plaintiff, the Settlement
10 Administration Costs to itself (only after the PAGA Settlement Packages have been mailed to all
11 Aggrieved Employees), and the Attorneys’ Fees and Costs to Plaintiff’s Counsel (unless instructed
12 otherwise by Plaintiff’s Counsel), as provided for by this Order and Judgment and the Settlement
13 Agreement.

14 19. The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid
15 and negotiable for 90 calendar days after mailing, and thereafter, shall be canceled.

16 20. No later than 14 calendar days from the void date of the Individual Settlement Checks, the
17 funds associated with such canceled checks shall be transmitted by the PAGA Settlement Administrator to
18 the California State Controller’s Office Unclaimed Property Division in the name of the Aggrieved
19 Employee(s) at issue and in the amount of their respective Individual Settlement Share(s).

20 21. Aggrieved Employees shall not have the right to opt out of or object to the Settlement.
21 Upon the date the Court has entered this Order and Judgment approving the Settlement Agreement and full
22 funding of the Total Settlement Amount, and except as to the rights and obligations created by the
23 Settlement Agreement, Plaintiff and the State of California with respect to Aggrieved Employees, will be
24 deemed to have knowingly and voluntarily released and forever discharged Released Parties, to the full
25 extent permitted by law, of and from the Action and from the Released Claims.

26 22. “Released Parties” means Defendant, including Defendant’s parent corporation, affiliates,
27 subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former
28 employees, attorneys, officers, directors and agents thereof, both individually and in their business

capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, the “Released Parties”).

23. “Released Claims” means any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 7-2001.

24. “PAGA Period” means the period from September 13, 2020 to January 15, 2025.

25. No individualized notice of this Order and Judgment is required to be provided to the Aggrieved Employees. This Order and Judgment shall be submitted to the LWDA through the online system established for the filing of notices and documents, in conformity with California Labor Code § 2699(l)(3).

26. A Final Compliance Hearing is scheduled for April 7, 2026 at 8:30 a.m. (or _____) in Department S33. No later than 7 court days before the Final Compliance Hearing, Plaintiff must file a final report and declaration from the Settlement Administrator regarding distribution of the settlement funds. If the report and declaration establish that the distributions are complete, appearances may not be required

Date: _____

Honorable Stephanie Tanada
Judge of the Superior Court

EXHIBIT 1

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
RELEASE**

This Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement” or “Settlement”) is entered into by and between Iftikhar Khan (“Plaintiff”), for himself and as a representative of the State of California with respect to the Aggrieved Employees (as defined in Section 3(a)(5) below) and Pac Auto Group, Inc. (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

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

(a) On September 13, 2021 Lawyers *for* Justice, PC (“Plaintiff’s Counsel”), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendant, to notify the LWDA and Defendant, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff’s intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 7-2001, thereby initiating LWDA Case Number LWDA-CM-844386-21 (the “PAGA Notice”);

(b) On November 17, 2021, Plaintiff filed his Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Operative Complaint”), commencing a representative action under PAGA against Defendant, entitled *Iftikhar Khan v. PAC Auto Group Inc.*, San Bernardino County Superior Court Case No. CIVSB32675 (the “Action”). The Operative Complaint asserts a single cause of action for civil penalties under PAGA, for violations of multiple provisions of the California Labor Code and applicable Industrial Welfare Commission Wage Orders;

(d) On July 10, 2023, the Parties mediated the Action with Steve Rottman, Esq. and, with the aid of the mediator’s evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

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

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) In consideration for Plaintiff signing this Settlement Agreement and complying with its terms, Defendant shall pay the maximum gross sum of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) (the “Total Settlement Amount”) to resolve the Action and Released Claims (as defined herein), which will be paid as follows:

(1) Attorneys' fees in the amount of thirty-five percent (35%) of the Total Settlement Amount, which is One Hundred and Five Thousand Dollars and Zero Cents (\$105,000.00) if the Total Settlement Amount remains \$300,000.00, and reimbursement of actual litigation costs and expenses up to the amount of Eighteen Thousand Five Hundred Dollars and Zero Cents (\$18,500.00) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest.

(2) A general release fee of up to the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) ("General Release Fee") to Plaintiff, which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Seven Thousand Dollars and Zero Cents (\$7,000.00) ("Settlement Administration Costs") to Phoenix Class Action Administration Solutions (the "PAGA Settlement Administrator").

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

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period (the "Aggrieved Employees"). The period through and including September 13, 2020 to ninety (90) days after execution of this Settlement Agreement is the "PAGA Period." The 25% portion of the Net Settlement Amount payable to Aggrieved Employees is referred to as the "Employees' Portion."

(b) The Aggrieved Employees are estimated to consist of approximately 459 individuals who worked approximately 7,411 Compensable Pay Periods. If the actual number of Compensable Pay Periods during the PAGA Period is more than ten percent (10%) above 7,411, the Total Settlement Amount will be increased by the percentage that the actual number exceeds 7,411 Compensable Pay Periods.

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

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

5. **Disbursal of Settlement Funds.**

(a) Subject to Section 4 above, Defendant shall remit to the PAGA Settlement Administrator the sums described more fully in Section 3(a) above, after all of the following has occurred: (i) the Settlement Agreement is fully executed by all Parties and their counsel; and (ii) the Court has entered an order approving the Settlement Agreement.

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

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

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

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

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Brett Wiseman of Madison Law, APC ("Defendant's Counsel") for review; Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

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

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

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

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

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

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

(1) No later than seven (7) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the PAGA Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) dates of employment as an hourly-paid or non-exempt employee in California during the PAGA Period; and, (vi) such other information as is necessary for the PAGA Settlement Administrator to calculate Compensable Pay Periods.

(2) The PAGA Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List, and update addresses for Aggrieved Employees to the extent updated addresses are located through the NCOA search.

(3) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by first-class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the PAGA Settlement Administrator shall promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

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

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

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

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

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

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

(a) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged Defendant, including Defendant's parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, the "Released Parties"), to the full extent permitted by law, of and from the Action and from any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia* Wage Orders 4-2001 and 7-2001 (collectively, the "Released Claims").

(b) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff, individually and on behalf of his

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

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

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

9. Governing Law and Interpretation.

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

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

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

11. **Miscellaneous.**

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

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

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

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

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

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

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

Date: 10/17/2024, 2024

Electronically Signed
2024-10-18 06:09:05 UTC - 76.86.141.208
Hinter AssureSign®
fb0858b2-ec93-4088-aaa5-620a0144358f

Iftikhar Khan
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

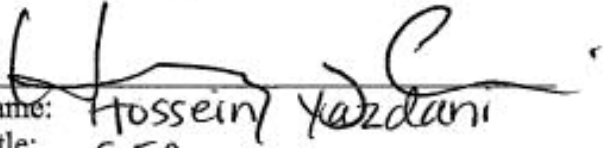
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PAC Auto Group, Inc.

Date: 10-16-2024, 2024

Name:

Title:


Hossein Yazdani

CEO

Approved as to form and content.

EXHIBIT 2

Exhibit A

<<Mailing Date>>

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

Re: Settlement Payment from *Iftikhar Khan v. PAC Auto Group Inc.*, San Bernardino County Superior Court Case No. CIVSB32675

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

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Share”). This check is your payment from the settlement in the lawsuit entitled *Iftikhar Khan v. PAC Auto Group Inc.*, San Bernardino County Superior Court Case No. CIVSB32675 (“Action”).

The lawsuit was filed on November 17, 2021 by Iftikhar Khan (“Plaintiff”) against his former employer, on behalf of the State of California, with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on September 13, 2021, Plaintiff submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 7-2001, thereby initiating LWDA Case Number LWDA-CM-844386-21 (the “PAGA Notice”).

Defendant denies Plaintiff’s allegations and denies any wrongdoing of any kind associated with Plaintiff’s allegations. A settlement was reached between Plaintiff and Defendant PAC Auto Group, Inc. (“Defendant”). On << Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the period September 13, 2020 to [90 days after execution of Settlement Agreement] (“Aggrieved Employees”). The period September 13, 2020 to [90 days after execution of Settlement Agreement] is the “PAGA Period”.

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as an Aggrieved Employee. Your Individual Settlement Share is based on the total number of pay periods you worked for Defendant in California during the PAGA Period. The Individual Settlement Share is designated 100% penalties and will be reported on IRS Form 1099. You are responsible for paying any taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of entry of order by the Court approving the Settlement>>, the Released Parties were fully released and forever discharged from any and all Released Claims.

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

“Released Claims” means any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order 4-2001 and 7-2001.

The enclosed check is valid for 90 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 90-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller’s Office Unclaimed Property Division in your name and in the amount of your respective Individual Settlement Share.

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