

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Theodore Waterstradt (“Plaintiff Waterstradt”), Plaintiff Kevin Tankus (“Plaintiff Tankus”), Plaintiff Michael Richardson (“Plaintiff Richardson”), and Plaintiff Sara Montes Lopez (“Plaintiff Montes Lopez”) (collectively, “Plaintiffs”), individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to PAGA Employees pursuant to the Private Attorneys General Act, and Defendant Gosch Auto Group, Inc. (“Defendant”) (together, Plaintiffs and Defendant are referred to as the “Parties”).

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California with respect to PAGA Employees (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On January 17, 2022, Plaintiff Waterstradt provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant and related entities of his intent to pursue civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) for Defendant’s alleged violations of the California Labor Code (“Waterstradt PAGA Notice”). A true and correct copy of the Waterstradt PAGA Notice is attached hereto as “**EXHIBIT A.**”

2. On January 18, 2022, Plaintiff Waterstradt filed a Class Action Complaint, thereby commencing a putative class action entitled *Waterstradt, et al. v. Gosch Auto Group, Inc. et al.* in the Superior Court of California for the County of San Diego, Case No. 37-2022-00001994-CU-OE-CTL (the “Class Action”) against Defendant and related entities for alleged violations of the California Labor Code.

3. On March 22, 2022, Plaintiff Richardson provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant and related entities of his intent to pursue civil penalties under the PAGA for alleged violations of the California Labor Code (“Richardson PAGA Notice”). A true and correct copy of the Richardson PAGA Notice is attached hereto as “**EXHIBIT B.**”

1 4. On March 25, 2022, Plaintiff Waterstradt filed a First Amended Class Action Complaint
2 (“First Amended Complaint”), thereby adding a claim for civil penalties pursuant to the Private Attorneys
3 General Act, California Labor Code § 2698, *et seq.* (“PAGA”), on behalf of the State of California in
4 connection with Plaintiff Waterstradt and aggrieved employees of Defendant.

5 5. On September 29, 2022, Plaintiff Montes Lopez provided notice by electronic upload to
6 the Labor and Workforce Development Agency and written notice by certified mail to Defendant and
7 related entities of his intent to pursue civil penalties under the PAGA for alleged violations of the
8 California Labor Code (“Lopez PAGA Notice”) (collectively, the Waterstradt PAGA Notice, Richardson
9 PAGA Notice, and Lopez PAGA Notice are the “PAGA Notices”). A true and correct copy of the Lopez
10 PAGA Notice is attached hereto as “**EXHIBIT C.**”

11 6. On June 6, 2022, Plaintiff Richardson filed a Complaint for Enforcement Under the Private
12 Attorneys General Act, California Labor Code § 2698, *et seq.*, thereby commencing a representative action
13 pursuant to the PAGA entitled *Richardson v. Gosch Auto Group, Inc. et al.* in the Superior Court of
14 California for the County of Riverside, Case No. CVSW2203676 (the “*Richardson Action*”) against
15 Defendant and related entities for alleged violations of the California Labor Code.

16 7. On December 5, 2022, Plaintiff Montes Lopez filed a Complaint for Enforcement Under
17 the Private Attorneys General Act, California Labor Code § 2698, *et seq.*, thereby commencing a
18 representative action pursuant to the PAGA entitled *Montes Lopez v. Gosch Auto Group, Inc. et al.* in the
19 Superior Court of California for the County of Riverside, Case No. CVSW2203676 (the “*Lopez Action*”,
20 collectively with the *Richardson Action* the “PAGA Actions”) against Defendant and related entities for
21 alleged violations of the California Labor Code.

22 8. Defendant denies all material allegations set forth in the Class Action and PAGA Actions
23 and has asserted numerous affirmative defenses in the case. Notwithstanding, in the interest of avoiding
24 further litigation, Defendant desire to fully and finally settle the Class Action, PAGA Actions, the
25 Released Class Claims, and the Released PAGA Claims.

26 9. Class Counsel diligently investigated the claims against Defendant, including any and all
27 applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of
28 information, data, and documents, and review of Defendant’s employment and operations policies,

practices, and procedures.

10. On July 3, 2022, the Parties participated in mediation with Lynn Frank, Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The settlement discussions were conducted at arm’s-length, and the Settlement is the result of an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel’s own independent investigation and evaluation, Class Counsel believe that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, the State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

11. As a condition of settlement, Plaintiffs will file a second amended complaint in the Class Action to re-include the Class allegations to the extent they were previously stricken by the Court, as well as to add the allegations from the PAGA Actions and PAGA Notices, effectively consolidating the claims and parties in the Class Action and PAGA Actions. Thereafter, Plaintiffs agree to dismiss without prejudice the PAGA Actions. The Parties agree that the allegations in the Class Action, including both Class and PAGA claims, will relate back to January 18, 2021.

12. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

13. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

a. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the Class Action and PAGA Actions, as set forth in Paragraph 18.

b. “Class Counsel” means Samuel A. Wong, Jessica L. Campbell, Jamie M. Loos of Aegis Law Firm, PC and Arby Aiwezian, Joanna Ghosh, Brian J. St. John, and Daniel Bass of Lawyers for Justice, PC.

c. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s last-known full name, mailing address, Social Security Number, and number of Pay Periods worked for Defendant as non-exempt, hourly-paid employee from January 18, 2021, to July 31, 2025 , and such other information as is necessary for the Settlement Administrator to calculate the Individual PAGA Payment(s) (as defined herein) and the Individual Settlement Share (as defined herein).

d. “Class Member(s)” or “Class” means all persons currently or formerly employed by Defendant, either directly or through any subsidiary, staffing agency, or professional employer organization, as non-exempt, hourly-paid employees during the Class Period. Defendant represents that the number of Class Members is approximately 511 individuals, as of July 31, 2025.

e. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as “**Exhibit D.**”

f. “Class Period” means the time period from January 18, 2021, to July 31, 2025.

g. “Class Representatives” or “Plaintiffs” mean Plaintiff Waterstradt, proposed Plaintiff Tankus, Plaintiff Richardson, and Plaintiff Montes Lopez.

h. “Class Settlement” means the settlement and resolution of all Released Class Claims.

i. “Court” means the Superior Court of California for the County of San Diego where Plaintiffs will file a Second Amended Complaint in the Class Action.

j. “Defendant’s Counsel” means John Boggs, Dave Reese and Daniel Padova of Fine, Boggs & Perkins LLP.

k. “Effective Date” means the later of (a) the last day on which any appeal might be filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including

expiration of any time to seek reconsideration or further review.

l. “Employer Taxes” means the employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares.

m. “Enhancement Payment(s)” means the amount to be paid to each of the Plaintiffs in recognition of their efforts and work in prosecuting the Class Action and PAGA Actions.

n. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

o. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

p. “Gross Settlement Amount” means the amount of One Million Four Hundred and Forty Thousand Dollars (\$1,440,000.00) to be paid by Defendant in full resolution of all Released Class Claims, Released PAGA Claims, the Class Action and the PAGA Actions provided for under the Class Settlement and PAGA Settlement, which includes all Attorneys’ Fees and Costs to be paid to Class Counsel, Enhancement Payments to be paid to each of the Plaintiffs, PAGA Amount to be paid to the LWDA and PAGA Employees, Net Settlement Amount to be paid to the Settlement Class Members, and Settlement Administration Costs to be paid to the Settlement Administrator. The Gross Settlement Amount may increase to the extent provided in Paragraph 42. The Gross Settlement Amount does not include Employer Taxes; Employer Taxes will be paid by Defendant, separately and in addition to the Gross Settlement Amount.

q. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be calculated in accordance with Paragraph 23.

r. “Individual Settlement Payment(s)” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 22.

s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in

accordance with Paragraph 22.

t. “LWDA Payment” means the amount of Seventy-Five Thousand Five Hundred Dollars (\$75,000.00), *i.e.*, 75% of the PAGA Amount, that the Parties have agreed to pay to the California Labor and Workforce Development Agency (“LWDA”) for the PAGA Settlement, as set forth in Paragraph 25.

u. “Net Settlement Amount” means the Gross Settlement Amount less the Court-approved Enhancement Payments, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees and Costs.

v. “Objection” means a Class Member’s written objection to the Class Settlement, which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal and factual support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

w. “Operative Complaint” means the contemplated second amended complaint to consolidate the claims and parties in the Class Action and PAGA Actions, to be filed by Plaintiffs in the Class Action.

x. “PAGA Amount” means the allocation of One Hundred Thousand Dollars (\$100,000.00) from the Gross Settlement Amount as civil penalties pursuant to the Private Attorneys General Act, California Labor Code section 2698 *et seq.*, for the settlement and resolution of the Released PAGA Claims. Seventy-five percent (75%) of the PAGA Amount, or \$75,000.00, will be paid to the LWDA (*i.e.*, the LWDA Payment) and the remaining twenty-five percent (25%), or \$25,000.00, will be distributed to PAGA Employees (*i.e.*, the PAGA Employee Amount).

y. “PAGA Employee Amount” means the amount of Twenty-Five Thousand Dollars (\$25,000.00), *i.e.*, 25% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Pay Periods Workweeks during the PAGA Period.

z. “PAGA Employee(s)” means all persons currently or formerly employed by

Defendant, either directly or through any subsidiary, staffing agency, or professional employer organization, as non-exempt, hourly-paid employees during the PAGA Period.

aa. “PAGA Period” means the time period from January 18, 2021, to July 31, 2025.

bb. “PAGA Settlement” means the settlement and resolution of Released PAGA Claims.

cc. “Pay Period Dispute” means a Class Member’s written letter disputing the pre-printed information on the Class Notice as to the number of Pay Periods credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class Member disputes of the number of Pay Periods credited to him or her and what he or she contends is the correct number to be credited to him or her; (d) attach any documentation that he or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

dd. “Pay Period” means the number of calendar semi-monthly pay periods during which any Class Member worked at least one day for Defendant during the Class Period or PAGA Period.

ee. “Preliminary Approval” means entry of the Court order granting preliminary approval of the Settlement Agreement.

ff. “Released Class Claims” means all claims, rights, demands, damages, liabilities, and causes of action, in law or in equity, arising at any time during the Class Period for the claims alleged by Plaintiffs in the Operative Complaint or that could have been alleged by Plaintiffs against Defendant in the Operative Complaint based on the allegations made by Plaintiffs in the Class Action, PAGA Actions and PAGA notices, including but not limited to all of the following claims for relief: (1) Violation of California Labor Code §§ 223, 1194, 1194.2, 1197, and IWC Wage Order §3-4 (Failure to Pay Minimum Wages); (2) Violation of California Labor Code §§ 510, 1194, 1198 and IWC Wage Order §3 (Failure to Pay Overtime); (3) Violation of California Labor Code §§ 226.7, 512 and IWC Wage Order § 11 (Failure to Provide Meal Periods); (4) Violation of California Labor Code § 226.7 and IWC Wage Order § 12 (Failure to Permit Rest Periods); (5) Violation of California Labor Code §§ 2800 and 2802 (Failure to Reimburse Business Expenses; (6) Violation of California Labor Code § 226

(Failure to Provide Accurate Itemized Wage Statements); (7) Violation of California Labor Code §§ 201, 202, and 203 (Failure to Pay All Wages Due Upon Separation of Employment) and (8) Violation of California Business & Professions Code §§ 17200, Et Seq.

gg. “Released PAGA Claims” means all claims for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* that were alleged in the Operative Complaint or that reasonably could have been alleged based on the factual allegations in the Class Action, PAGA Actions and PAGA notices, arising during the PAGA Period, against any of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 223, 1194, 1194.2, 1197, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, 4-2001, 7-2001, and 9-2001 for failure to pay all minimum wages; failure to pay all overtime wages; failure to provide compliant meal periods and associated premiums; failure to permit compliant rest periods and associated premiums; failure to reimburse business expenses; failure to provide accurate itemized wage statements; and failure to pay all wages due upon separation of employment .

hh. “Released Parties” means Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed Class Members or PAGA Employees, as well as any other individual or entity who could otherwise be found liable for violations against Plaintiffs or any Aggrieved Employee under California Labor Code section 558.1 in connection with Plaintiffs employment with Defendant or any of them, including but not limited to Gosch Auto Group, Inc., Gosch Motor, Inc., Jack Gosch Ford, Inc., and Gosch Imports, Inc.

ii. “Request for Exclusion” means a Class Member’s written letter indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

jj. “Response Deadline” means the deadline by which Class Members must submit a Request for Exclusion, Objection, and/or Pay Periods Workweeks Dispute, which shall be the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement

Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen (15) calendar days from the initial Response Deadline.

kk. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this Settlement, as set forth in Paragraph 20.

ll. “Settlement Administrator” means Phoenix Class Action Administration Solutions or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

mm. “Settlement Class Members” or “Settlement Class” means all Class Members who do not submit a timely and valid Request for Exclusion.

CLASS CERTIFICATION

14. For the purposes of this settlement only, the Parties stipulate to the certification of the Class.

15. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under California Code of Civil Procedure section 382. Should, for whatever reason, the Court not grant Final Approval, the Parties’ stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate as to any of the claims asserted by Plaintiffs against Defendant in a non-settlement context.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court’s approval, as follows:

16. Amendment of the Operative Complaint. To implement the terms of the Settlement, the Parties agree that Plaintiffs shall seek leave to file, and upon being granted leave, file a Second Amended

Complaint in the Class Action that will in effect consolidate the Parties and claims asserted against Defendant in the Class Action and PAGA Actions (and Defendant will stipulate to this request). Thereafter, Plaintiffs will seek dismissal of the PAGA Actions without prejudice.

17. Funding and Disbursement of the Gross Settlement Amount. Within fourteen (14) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a qualified settlement account for administration of the Settlement. Within thirty (30) calendar days after the Settlement Administrator provides the accounting estimate, Defendant will make a one-time deposit of the Gross Settlement Amount and Employer Taxes into the settlement account to be established by the Settlement Administrator. Within seven (7) calendar days of the funding of the Gross Settlement Amount and Employer Taxes, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Employees; (c) LWDA Payment to the LWDA; (d) Enhancement Payments to Plaintiffs; (e) Attorneys' Fees and Costs to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The Settlement Administrator will obtain funds from Defendant that are sufficient for the Employer Taxes that Defendant must fund separately and in addition to the Gross Settlement Amount. The Settlement Administrator will also undertake filings and remittances in connection with the employee's share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are necessary for administration of the Settlement.

18. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose attorneys' fees of up to thirty-five percent (35%) of the Gross Settlement Amount (*i.e.*, up to \$504,000.00 if the Gross Settlement Amount is \$1,440,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Actions, supported by declaration, in an amount not to exceed Forty Thousand Dollars (\$40,000.00), both of which will be paid from the Gross Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation and settlement of the Class Action and PAGA Actions, including without limitation all work performed and costs incurred to

date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Defendant and Defendant's Counsel shall not be liable for any expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator. Any portion of the requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members.

19. Enhancement Payments. In recognition of their efforts and work in prosecuting the Actions, Defendant agree not to oppose or impede any application or motion for an Enhancement Payment to each Plaintiff in the amount of up to Fifteen Thousand Dollars (\$15,000.00) each for a total of \$60,000.00. The Enhancement Payments, which will be paid from the Gross Settlement Amount subject to Court approval, will be in addition to any Individual Settlement Payment and Individual PAGA Payment that each is eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiffs for their Enhancement Payments, and Plaintiffs shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any and all taxes on the amounts received. Should the Court not approve the Enhancement Payment to each Plaintiff, or approve any of them in an amount that is less than that set forth above, Plaintiffs shall not have the right to revoke this Agreement, and it will remain binding, and the difference between the amount approved by the Court (if any) and the amount allocated toward the Enhancement Payments will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

20. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Ten Thousand Dollars (\$10,000.00). These costs, which will

be paid from the Gross Settlement Amount subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator, to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

21. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of One Hundred Thousand Dollars (\$100,000.00) from the Gross Settlement Amount will be allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (*i.e.*, the PAGA Amount), of which seventy-five percent (75%), or \$75,000, will be paid to the LWDA (*i.e.*, the LWDA Payment) and twenty-five percent (25%) or, \$25,000, will be distributed to PAGA Employees (*i.e.*, the PAGA Employee Amount) on a *pro rata* basis, based on Pay Periods during the PAGA Period (*i.e.*, the Individual PAGA Payment).

22. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Pay Periods during the Class Period, as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the estimated Net Settlement Amount by the Pay Period of all Class Members during the Class Period to yield the "Estimated Pay Period Value," and multiply each Class Member's individual Pay Periods worked during the Class Period by the Estimated Pay Period Value to yield his or her estimated Individual Settlement Share.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Pay Periods of all Settlement Class Members during the Class

Period to yield the “Final Pay Period Value,” and multiply each Settlement Class Member’s individual Pay Periods during the Class Period by the Final Pay Period Value to yield his or her Individual Settlement Share.

23. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees’ number of Pay Periods worked during the PAGA Period as follows: The Settlement Administrator will divide the PAGA Employee Amount, *i.e.*, 25% of the PAGA Amount, by the total number of Pay Periods of all PAGA Employees during the PAGA Period to yield the “PAGA Pay Period Value,” and multiply each PAGA Employee’s individual Pay Periods worked during the PAGA Period by the PAGA Pay Period Value to yield his or her Individual PAGA Payment.

24. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or PAGA Employees to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period and/or PAGA Period, nor will it entitle Plaintiffs, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

25. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code section 2699(1)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the same time that it is submitted to the Court for preliminary approval.

26. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

27. Notice by First-Class U.S. Mail.

a. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the United States Postal Service's National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English and Spanish (substantially in the form attached as **Exhibit D** to this Settlement Agreement) to all Class Members via U.S. mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Class Notices that are returned as undeliverable on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

c. Dispute Regarding Pay Periods. The Class Notice will include the procedure by which a Class Member may dispute the number of Pay Periods allocated to him or her by submitting a timely and valid Pay Period Dispute. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Pay Periods to be credited to a disputing Class Member, Defendant's records will be presumed correct and determinative of the dispute. The Settlement Administrator will evaluate the information and/or documents submitted by the Class Member and the Settlement Administrator will resolve and determine the number of Pay Periods that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

28. Settlement Checks.

a. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual.

b. The Settlement Administrator shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent necessary to determine the amount of the payroll tax payment required

c. Each Individual Settlement Payment check and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be paid to Working Wardrobes ("Proposed *Cy Pres* Recipient"). The Proposed *Cy Pres* Recipient is a non-profit organization that assists members of the community with the resources, confidence, and skills they need to find and maintain gainful employment and achieve lasting economic stability. The Parties and their counsel do not have any interests in the Proposed *Cy Pres* Recipient or involvement within the governance or work of the Proposed *Cy Pres* Recipient. Should the Court reject Working Wardrobes as a viable *cy pres* recipient, the Parties agree to select and propose an alternate *cy pres* recipient ("Alternate *Cy Pres* Recipient") that is an entity that the Parties and their counsel do not have any interest in and with respect to which they do not have any involvement in the entity's governance or work.

d. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will have claim preclusive impact with respect to them and all Settlement Class Members with respect to the Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA Payment checks are canceled.

29. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark

on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and also identify the individuals who submitted them if requested by the Court, in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

30. Procedures for Objecting to the Class Settlement. Class Members who have not opted out of the Class Settlement (*i.e.*, Settlement Class Members) may object to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be signed by the Settlement Class Member and contain all information required by Paragraph 13(v) of this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final Approval Hearing, irrespective of whether they submit a written Objection. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

31. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Pay Periods Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class

1 Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will
2 provide to counsel for both Parties any updated reports regarding the administration of the Settlement
3 Agreement as needed or requested and immediately notify the Parties when it receives a request from
4 an individual or any other entity regarding inclusion in the Class and/or Settlement.

5 32. Certification of Completion. Upon completion of administration of the Settlement, the
6 Settlement Administrator will provide a written declaration under oath to certify such completion to the
7 Court and counsel for all Parties.

8 33. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each
9 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent
10 (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on
11 an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be
12 reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will
13 withhold the employee's share of taxes and withholdings with respect to the wages portion of the
14 Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual
15 Settlement Payments (*i.e.*, payment of their Individual Settlement Share net of these taxes and
16 withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%)
17 penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

18 34. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
19 will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Employees, and Class
20 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
21 this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all
22 payroll taxes, contributions, and withholdings to the appropriate government authorities.

23 35. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not
24 intend anything contained in this Settlement Agreement, the Class Notice, or any other communications
25 to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or
26 taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other
27 communication regarding the Settlement be relied on as such. Plaintiffs, Settlement Class Members, and
28 PAGA Employees understand and agree that they will be solely responsible for correctly characterizing

any compensation received by them under the Settlement on their personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

36. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT 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 WILL 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 SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT 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 ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER 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 SETTLEMENT AGREEMENT.

37. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause

of action or right herein released and discharged.

38. Releases of Claims.

a. Class Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount and Employer Taxes, Plaintiffs and all Class Members who do not submit a timely and valid Request for Exclusion (*i.e.*, Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims.

b. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount and Employer Taxes, Plaintiffs, the State of California with respect to PAGA Employees, and PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiffs and the PAGA Employees.

39. Duties of the Parties with Respect to Amendment and Obtaining Preliminary Approval of the Settlement. Upon execution of this Settlement Agreement, Parties shall promptly stipulate to the filing of a Second Amended Complaint in the Class Action. Upon approval, Plaintiffs shall promptly file the Second Amended Complaint in the Class Action, obtain a hearing date for Plaintiffs' motion for preliminary approval of the Settlement, and submit this Settlement Agreement to the Court in support of said motion. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs as representatives of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from

or object to the Class Settlement as contained herein and within the Class Notice; and

g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate.

40. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiffs' motion for final approval of the Settlement (*i.e.*, the Final Approval Hearing), to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs. By way of said motion, Plaintiffs will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Certification of the Settlement Class;

c. Appointment of Plaintiffs as representative of the Settlement Class;

d. Appointment of Class Counsel as counsel for the Settlement Class;

e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

f. Approval of the application for the Enhancement Payments to each of the Plaintiffs;

g. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and

h. Entering judgment in this Action, while maintaining continuing jurisdiction to implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

41. Effects of Termination of the Settlement. In the event that the Settlement Agreement is not approved by the Court, such a development shall have the following effects:

a. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored

1 to their respective positions in the Class Action and PAGA Actions prior to the execution of the Settlement
2 Agreement;

3 b. Neither this Settlement Agreement, nor any ancillary documents, actions,
4 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)
5 shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

6 c. Any documents generated to bring the Settlement into effect, will be null and
7 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be
8 treated as void from the beginning.

9 42. Escalator Clause. Defendant represents that, during the period from January 18, 2021, to
10 July 31, 2025, there are no more than 40,000 calendar semi-monthly Pay Periods worked by Class
11 Members. If it is determined that the total number of Pay Periods exceed 40,000 by more than ten
12 percent (10%) (*i.e.*, exceeds 44,000) during the period on January 18, 2021 to July 31, 2025, at
13 Defendant's option either: (a) the Gross Settlement Amount will be increased on a *pro rata* basis equal
14 to the percentage increase in the number of Pay Periods above 44,000 Pay Periods (*e.g.*, if the threshold
15 of 44,000 Pay Periods is exceeded by 1%, the Gross Settlement Amount will increase by 1%), or, (b) the
16 Class Period and PAGA Period (as well as the end date for the release period) will end as of the number
17 of Pay Periods worked by Class Members, when starting from the first day of the Class Period and
18 PAGA Period, reaches 44,000 Pay Periods worked by Class Members and such date shall be referred to
19 as the "Alternate Class Period End Date" and "Alternate PAGA Period End Date." In the event that
20 Defendant choose to end the Class Period and PAGA Period on the Alternative Class Period End Date
21 and Alternative PAGA Period End Date, respectively, Defendant must make that choice prior to mailing
22 the Class Notice.

23 43. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court
24 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section
25 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and
26 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-
27 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

28 44. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the

1 terms set forth in any attached exhibits, which are incorporated by this reference as though fully set
2 forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

3 45. Limitation on Publicity. Plaintiffs and Class Counsel agree not to issue press releases
4 and engage in any publicity regarding the Settlement, except as shall be contractually required to
5 effectuate the terms of the Settlement and respond to inquiries received from Class Members and PAGA
6 Employees. However, for the limited purpose of allowing Class Counsel to prove their experience and
7 adequacy as class counsel in other actions, Class Counsel may reference the Settlement in the Class
8 Action and PAGA Actions for such purposes. Furthermore, Plaintiffs and Class Counsel will undertake
9 any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

10 46. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
11 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
12 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section
13 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal
14 law, which provide that a written agreement is to be construed according to its terms and may not be
15 varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
16 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This
17 Settlement Agreement contains the entire agreement between the Parties relating to the settlement and
18 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
19 representations, and statements, whether oral or written and whether by a Party or such Party's legal
20 counsel, are merged herein.

21 47. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
22 Class Action and PAGA Actions (including, and not limited to, the deadline to bring the Actions to trial
23 under California Code of Civil Procedure section 583.310), except such proceedings necessary to
24 implement and complete the Settlement Agreement, pending the Final Approval Hearing to be
25 conducted by the Court.

26 48. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of
27 this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject
28 to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement

1 will not constitute a waiver of any other provision.

2 49. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
3 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
4 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant
5 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
6 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
7 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement
8 will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
9 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
10 provisions that otherwise might apply under state or federal law.

11 50. Signatories. It is agreed that because the members of the Class are so numerous, it is
12 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class
13 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement
14 Class Members, and the release shall have the same force and effect as if this Settlement Agreement
15 were executed by each Settlement Class Member.

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

18 52. California Law Governs. All terms of this Settlement Agreement and attached exhibits
19 hereto will be governed by and interpreted according to the laws of the State of California.

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

24 54. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this
25 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class
26 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations
27 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.
28 The Parties further acknowledge that they are each represented by competent counsel and that they have

1 had an opportunity to consult with their counsel regarding the fairness and reasonableness of this
2 Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator
3 may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the
4 Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the
5 Settlement is objectively fair and reasonable.

6 55. Invalidity of Any Provision. Before declaring any provision of this Settlement
7 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
8 possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement
9 valid and enforceable.

10 56. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the
11 terms herein and agree to fully cooperate to implement the Settlement.

12 57. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve
13 the dispute that has arisen between them and to avoid the burden, expense, and risk of continued
14 litigation. In entering into this Settlement Agreement, Defendant do not admit, and specifically denies,
15 that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated
16 pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any
17 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
18 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any
19 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
20 admission or concession by Defendant of any such violations or failures to comply with any applicable
21 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this
22 Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or
23 proceeding to establish any liability or admission on the part of Defendant or to establish the existence
24 of any condition constituting a violation of, or a non-compliance with state, federal, local, or other
25 applicable law.

26 58. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted
27 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
28 provisions of this Settlement Agreement.

59. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

60. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full by the Parties with the assistance of their respective counsel.

61. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

62. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs and Class Counsel:

Arby Aiwezian, Esq.
Joanna Ghosh, Esq.
Daniel Bass, Esq.
LAWYERS for JUSTICE, PC
450 North Brand Blvd, Suite 900
Glendale, California 91203

Aegis Law Firm, PC
Kashif Haque, Esq.
Samuel Wong, Esq.
Jessica L. Campbell, Esq.
Farah Khaled, Esq.
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

To Defendant:

Fine, Boggs & Perkins LLP
John P. Boggs
David J. Reese
Daniel Padova
111 West Ocean Blvd., Ste. 2400
Long Beach, California 90802

63. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized

notice of the Final Approval Order and Judgment to the Class will be required.

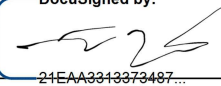
64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

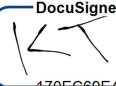
PLAINTIFF THEODORE WATERSTRADT

Dated: 6/24/26, 2026

DocuSigned by:

 24EAA3313373487...
 Theodore Waterstradt, Plaintiff

PLAINTIFF KEVIN TANKUS

Dated: 7/8/26, 2026

DocuSigned by:

 170EC69E49004DA...
 Kevin Tankus, Plaintiff

PLAINTIFF MICHAEL RICHARDSON

Dated: _____, 2026

 Michael Richardson, Plaintiff

notice of the Final Approval Order and Judgment to the Class will be required.

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF THEODORE WATERSTRADT

Dated: _____, 2026

Theodore Waterstradt, Plaintiff

PLAINTIFF KEVIN TANKUS

Dated: _____, 2026

Kevin Tankus, Plaintiff

PLAINTIFF MICHAEL RICHARDSON

Dated: 07/21/2026, 2026

Electronically Signed 2026-07-22 00:37:55 UTC - 172.56.181.167

Nintex AssureSign® 51238cbb-es3d-4ee6-beaa-b48e018ae33e

Michael Richardson, Plaintiff

1 **PLAINTIFF SARA MONTES LOPEZ**

2
3 Dated: 07/27/2026, 2026

Electronically Signed: Sara Montes Lopez 2026-07-28 02:35:08 UTC - 47,148,124,115
Name AssureSign: 7ae74e09-0308-4700-b5c5-b48071c8ee0d

4 Sara Montes Lopez, Plaintiff

5 **DEFENDANT GOSCH AUTO GROUP, INC.**

6
7 Dated: 7/28, 2026

Marc Gosch

8 Full Name: Marc Gosch

9 Title: PRESIDENT

10 On behalf of Gosch Auto Group, Inc.

11 **DEFENDANT GOSCH MOTORS, INC.**

12 Dated: 7/28, 2026

Marc Gosch

13 Full Name: MARC GOSCH

14 Title: PRESIDENT

15 On behalf of Gosch Motors, Inc.

16 **DEFENDANT JACK GOSCH FORD, INC.**

17 Dated: 7/28, 2026

Marc Gosch

18 Full Name: MARC GOSCH

19 Title: PRESIDENT

20 On behalf of Jack Gosch Ford, Inc.

21 **APPROVED AS TO FORM:**

22 **AEGIS LAW FIRM, PC**

23 Dated: _____, 2026

24 Jessica Campbell

25 Samuel Wong

26 Farah Khaled

27 Attorneys for Plaintiffs Theodore Waterstradt and Kevin
28 Tankus

LAWYERS for JUSTICE, PC

Dated: July 24, 2026



Arby Aiwanian

Joanna Ghosh

Daniel Bass

Attorneys for Plaintiffs Michael Richardson and Sara Montes Lopez

FINE, BOGGS & PERKINS LLP

Dated: July 28, 2026



John P. Boggs

David J. Reese

Daniel Padova

Attorneys for Defendant Gosch Auto Group, Inc.; Gosch Motors, Inc.; and Jack Gosch Ford, Inc.