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Attorneys for Plaintiff Sebastian Cano, individually,
and on behalf of all others similarly situated.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

SEBASTIAN CANO, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

INFINITE VELOCITY AUTOMOTIVE,
INC.; and DOES 1 through 20, inclusive,

Defendants.

Case No. 22CV012765

*Assigned for all purposes to
Hon. Somnath Raj Chatterjee
Dept. 21*

**SUPPLEMENTAL DECLARATION OF
KRISTY R. CONNOLLY IN SUPPORT OF
MOTION FOR APPROVAL OF PAGA
SETTLEMENT**

Date: April 8, 2025

Time: 2:30 p.m.

Dept: 21

1 I, Kristy R. Connolly, declare as follows:

2 1. I am an attorney licensed to practice law in the State of California. I am a Senior
3 associate attorney with Aegis Law Firm, PC (“Aegis”) and the attorney of record for Plaintiff
4 Sebastian Cano (“Plaintiff”). The following facts are within my personal knowledge and if called
5 as a witness, I could and would competently testify thereto.

6 2. I submit this Supplemental Declaration in support of Plaintiff’s Motion for Approval
7 of Private Attorneys General Act Representative Action Settlement (the “Motion”).

8 3. On March 4, 2025, the above-entitled Court adopted its tentative ruling on
9 Plaintiff’s Motion and ordered Plaintiff to address the issues discussed therein. Plaintiff
10 addresses each issue below.

11 ISSUE #1 – RELEASE OF LWDA’S CLAIMS BY PLAINTIFF UNDER PAGA.

12 4. The Parties have revised the settlement to limit the claims released by the LWDA to
13 all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on
14 the facts stated in the PAGA Notice. *See* Exhibit 2, § 5.2.

15 ISSUE #2 - RELEASE OF LWDA’S CLAIMS BY “AGGRIEVED EMPLOYEES”

16 5. The Parties have revised the settlement to limit the release of PAGA claims to only
17 Plaintiff, as a proxy and agent of the LWDA. The Aggrieved Employees no longer release claims
18 on behalf of the LWDA. *See* Exhibit 2, § 5.2.

19 ISSUE #3 – CY PRES RECEIPIENT

20 6. The Parties have revised the settlement to have uncashed funds be sent to the
21 California Court Appointed Special Advocates Association, a non-profit child advocacy
22 organization consistent with Code of Civil Procedure Section 384, subd. (b). *See* Exhibit 2, § 4.4.3.

23 7. I have confirmed with the other attorneys at Aegis Law Firm, PC that no one here,
24 including myself, has any interest or involvement with the Parties’ chosen *cy pres* recipient, the
25 California Court Appointed Special Advocates Association, that could reasonably create the
26 appearance of impropriety.

8. Concurrent with this submission, Plaintiff is also filing the Declaration of Dave Reese, who has confirmed that Defendant's Counsel does not have any potential conflict of interest with the proposed *cy pres* recipient.

9. Concurrent with this submission, Plaintiff is also filing the Revised Proposed Order, which reduced the award of attorneys' fees to \$135,000 and provides for the uncashed funds to go to the California Court Appointed Special Advocates Association.

10. A true and correct copy of the Parties' revised Settlement is attached hereto as **Exhibit 1.**

11. A true and correct copy of the Parties' revised Settlement, with the revisions shown in redline, is attached hereto as **Exhibit 2**.

12. A true and correct copy of the confirmation email my office received after submitting the revised Settlement and this Motion to the LWDA is attached hereto as **Exhibit 3**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on March 31, 2025, in Irvine, California.

Kristy R. Connolly

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Sebastian Cano (“Plaintiff”) and defendant Infinite Velocity Automotive, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. "Approval Order" means the Court's Order granting approval of this Settlement.
- 1.2. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Cano v. Infinite Velocity Automotive, Inc.*, Case No. 22CV012765 initiated on June 14, 2022 and pending in Superior Court of the State of California, County of Alameda.
- 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.
- 1.4. "Administrator" means Apex Class Action, LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.5. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.6. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.7. "Aggrieved Employee" means all current and former persons employed by Defendant in California as a non-exempt employee at any time during the PAGA Period.
- 1.8. "Court" means the Superior Court of California, County of Alameda.
- 1.9. "Defendant" means Infinite Velocity Automotive, Inc., the named defendant in the Action.
- 1.10. "Defense Counsel" means John Boggs, Dave Reese, and Tom Porter of FINE, BOGGS & PERKINS LLP.
- 1.11. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Approval Order and (b) the Judgment is final. The

Judgment is final as of the day the Court enters Judgment.

- 1.12. “Gross Settlement Amount” means \$450,000 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff’s Individual Settlement Payment, and the Administrator’s Expenses Payment.
- 1.13. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.14. “Judgment” means the judgment entered by the Court based upon on its Approval Order.
- 1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16. “LWDA” means the California Labor and Workforce Development Agency.
- 1.17. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff’s Individual Settlement Payment, and the Administration Expenses Payment.
- 1.18. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.19. “PAGA Counsel” means Samuel Wong, Kashif Haque, Jessica Campbell, and Kristy Connolly of Aegis Law Firm, the attorneys representing the Plaintiff in the Action.
- 1.20. “PAGA Notice” means Plaintiff’s June 14, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.21. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.
- 1.23. “PAGA Period” means the period from June 14, 2021 through September 30, 2024.
- 1.24. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.25. “Plaintiff” means Sebastian Cano, the named plaintiff in the Action.

1.26. “Released PAGA Claims” means the claims being released as described in Paragraph 5 below.

1.27. “Released Parties” means Defendant and all its parent, subsidiary, and affiliated entities, including all corporations, partnerships, members, divisions and joint ventures, all officers, directors, shareholders, managers, supervisors, partners, employees, agents, attorneys, successors and assigns, as well as all officers, directors, shareholders, managers, supervisors, partners, employees, agents, attorneys, successors and assigns of each parent, subsidiary, and affiliated entity. Released Parties specifically includes, but is expressly not limited to, Infinite Velocity Automotive Inc., Velocity Prime Automotive Inc., Velocity Triple Automotive Inc., Chae Song, Ray Malgradi, and Deborah Berenbrok.

1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. **RECITALS.**

2.1. On June 14, 2022, Plaintiff commenced this Action by filing a complaint alleging causes of action against Defendant for failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized statements, failure to pay all wages due upon separation of employment; and Violation of Business and Professions Code §§ 17200, *et seq.* On September 29, 2022, Plaintiff filed a First Amended Complaint to add a cause of action against Defendant for Enforcement of Labor Code §2698, *et seq.* On January 19, 2023, the Court granted Defendant’s Motion to Compel Arbitration and dismissed Plaintiff’s class claims and compelled Plaintiff’s individual PAGA claim to arbitration. The Action then proceeded on a representative-PAGA basis only. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On August 28, 2024, the Parties participated in an all-day mediation presided over by Jill Sperber, which led to this Agreement to settle the Action.

3. **MONETARY TERMS.**

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$450,000 and no more as the Gross Settlement Amount. The Gross Settlement Amount includes the Individual PAGA Payments to the Aggrieved Employees, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA

Counsel Litigation Expenses Payment, and the Administration Expenses Payment. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring any Aggrieved Employee to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Plaintiff's Individual Settlement Payment to Plaintiff of \$10,000 (in addition to any Individual PAGA Payment Plaintiff is entitled to receive as an Aggrieved Employee). A determination by the Court to approve a greater or lesser amount instead of this amount will neither entitle either party to void the agreement nor impact the Gross Settlement Amount.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the GSA, which is currently estimated to be \$150,000 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. A determination by the Court to approve a greater or lesser amount instead of this amount will neither entitle either party to void the agreement nor impact the Gross Settlement Amount.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$5,990 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,990, the Administrator will retain the remainder in the Net Settlement Amount. A determination by the Court to approve a greater or lesser amount instead of this amount will neither entitle either party to void the agreement nor impact the Gross Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: The PAGA Penalties will be paid from the

Gross Settlement Amount, after deducting the above amounts for PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Administrator Expenses Payment, and Plaintiff's Individual Settlement Payment, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are a total of 11,680 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 14 days of the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 10 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, Plaintiff's Individual Settlement Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel

Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. A notice letter explaining why the check is being sent (“Employee Notice”), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as “Exhibit A,” will be included in the mailing of each Individual PAGA Payment. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to California Court Appointed Special Advocates Association, a non-profit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) (“Cy Pres Recipient”). The Parties, PAGA Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff will release claims against all Released Parties as follows:

5.1 Plaintiff’s Individual Release. In addition to the claims released under Section 5.2 below, Plaintiff and Plaintiff’s former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, agree to a general release of any and all claims, transactions, or occurrences against Released Parties—which will include without limitation any and all claims which in any way relate to Plaintiff’s’

employment with Defendant, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the Fair Labor Standards Act (“FLSA”), Title VII, Americans with Disabilities Act (“ADA”), Fair Employment and Housing Act (“FEHA”), Age Discrimination in Employment Act (“ADEA”), Private Attorneys General Act (“PAGA”), California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof (“Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

- 5.1.1 Plaintiff’s Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

- 5.2 Plaintiff’s Release as Proxy of the LWDA:

Plaintiff, as a proxy and agent of the LWDA, releases the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notice during the PAGA Period, including claims for (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (5) failure to reimburse expenses, (6) failure to provide accurate wage statements, and (7) failure to timely pay all wages due upon separation of employment; and (8) any and all claims arising out of or related to the following sections of the California Labor Code: 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1172.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

- 6.1 Plaintiff’s Responsibilities. Plaintiff (individually or through PAGA Counsel) will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting

Approval of PAGA Settlement and (ii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2))).

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and, subject to Defendant's approval, filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action, LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action, LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are 11,680 semi-monthly Pay Periods (or their functional equivalent) worked during the PAGA Period. If the number of semi-monthly Pay Periods (or their functional equivalent) exceeds 11,680 by more than 10% (e.g., 12,848), the Gross Settlement Amount will increase pro rata based on the actual number of semi-monthly pay periods (or their functional equivalent) relative to the 12,848 Pay Period threshold. By way of example, if the final number of semi-monthly Pay Periods were 15,000, the GSA would increase by 16.75%, which is the ratio of the 2,152 additional periods relative to the 12,848 threshold.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement

between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of

information shall survive the execution of this Agreement.

- 10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.13 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Aegis Law Firm, PC
Kashif Haque
Samuel Wong
Jessica L. Campbell
Kristy R. Connolly
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
kconnolly@aegislawfirm.com
(949) 379-6250

To Defendant:

John Boggs
Dave Reese
Tom Porter
FINE, BOGGS & PERKINS LLP
16870 West Bernardo Drive, Suite 360
San Diego, CA 92127
Phone: (858) 451-1240
Facsimile: (858) 451-1241
jboggs@employerlawyers.com
dreese@employerlawyers.com
tporter@employerlawyers.com
kcherry@employerlawyers.com

- 10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties

will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

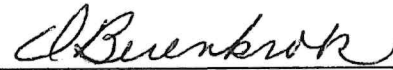
Dated: 03/31/2025

SEBASTIAN CANO

By: 
Sebastian Cano
Plaintiff

Dated: 3/31/2025

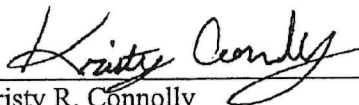
INFINITE VELOCITY AUTOMOTIVE, INC.

By: 
(Signature)
Deborah Berenbrok
(Printed Name)
Sec - Tre s
(Title)

APPROVED AS TO FORM ONLY:

Dated: 3/31/2025

AEGIS LAW FIRM, PC

By: 
Kristy R. Connolly
Attorneys for Named Plaintiff Sebastian Cano

Dated: 31 Mar 2025

FINE, BOGGS & PERKINS LLP

By: 
Dave Reese
Attorneys for Defendant Infinite Velocity Automotive, Inc.

<<Mailing Date>>

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

Re: Individual PAGA Payment from *Cano v. Infinite Velocity Automotive, Inc.*,
Alameda County Superior Court, Case No. 22CV012765

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

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement of a lawsuit entitled *Cano v. Infinite Velocity Automotive, Inc.*, Case No. 22CV012765 (“Action”), filed in the Superior Court of California for the County of San Alameda (“Court”).

The lawsuit was filed by Sebastian Cano (“Plaintiff”), a former employee of Infinite Velocity Automotive, Inc. (“Defendant”), 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 California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). Plaintiff alleged that Defendant violated the California Labor Code by failing to properly pay all minimum and overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse business expenses, provide accurate itemized wage statements, and timely pay all wages owed upon separation of employment.

Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following Aggrieved Employees: all current and former persons employed by Defendant in California as a non-exempt employee at any time from October 15, 2021 through May 18, 2024. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment check) because you have been identified as an Aggrieved Employee.

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. Your Individual PAGA Payment is based on the total number of pay periods that you worked as an Aggrieved Employee during the period between June 14, 2021 through September 30, 2024 (the “PAGA Period”). The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, Plaintiff, as a proxy of the California Labor and Workforce Development Agency, will release the Released Parties from the Released PAGA Claims. The “Released Parties” means Defendant and each of its insurers, brands, concepts, affiliates, subsidiaries, parent companies, predecessors, successors, assigns, employees, officers, directors, agents, attorneys, administrators, representatives, heirs, estates, powers-of-attorney, and any individual or entity which could be jointly liable with Defendant. The “Released PAGA Claims” means and refers to all claims for PAGA

penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notice during the PAGA Period, including claims for (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (7) failure to reimburse expenses, (5) failure to provide accurate wage statements, and (6) failure to timely pay all wages due upon separation of employment.

Your Individual PAGA Payment check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual PAGA Payment will be cancelled and the funds will be transmitted to California Court Appointed Special Advocates Association.

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

EXHIBIT 2

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Sebastian Cano (“Plaintiff”) and defendant Infinite Velocity Automotive, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. "Approval Order" means the Court's Order granting approval of this Settlement.
- 1.2. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Cano v. Infinite Velocity Automotive, Inc.*, Case No. 22CV012765 initiated on June 14, 2022 and pending in Superior Court of the State of California, County of Alameda.
- 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.
- 1.4. "Administrator" means Apex Class Action, LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.5. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.6. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.7. "Aggrieved Employee" means all current and former persons employed by Defendant in California as a non-exempt employee at any time during the PAGA Period.
- 1.8. "Court" means the Superior Court of California, County of Alameda.
- 1.9. "Defendant" means Infinite Velocity Automotive, Inc., the named defendant in the Action.
- 1.10. "Defense Counsel" means John Boggs, Dave Reese, and Tom Porter of FINE, BOGGS & PERKINS LLP.
- 1.11. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Approval Order and (b) the Judgment is final. The

Judgment is final as of the day the Court enters Judgment.

- 1.12. “Gross Settlement Amount” means \$450,000 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff’s Individual Settlement Payment, and the Administrator’s Expenses Payment.
- 1.13. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.14. “Judgment” means the judgment entered by the Court based upon on its Approval Order.
- 1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16. “LWDA” means the California Labor and Workforce Development Agency.
- 1.17. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff’s Individual Settlement Payment, and the Administration Expenses Payment.
- 1.18. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.19. “PAGA Counsel” means Samuel Wong, Kashif Haque, Jessica Campbell, and Kristy Connolly of Aegis Law Firm, the attorneys representing the Plaintiff in the Action.
- 1.20. “PAGA Notice” means Plaintiff’s June 14, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.21. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.
- 1.23. “PAGA Period” means the period from June 14, 2021 through September 30, 2024.
- 1.24. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.25. “Plaintiff” means Sebastian Cano, the named plaintiff in the Action.

1.26. “Released PAGA Claims” means the claims being released as described in Paragraph 5 below.

1.27. “Released Parties” means Defendant and all its parent, subsidiary, and affiliated entities, including all corporations, partnerships, members, divisions and joint ventures, all officers, directors, shareholders, managers, supervisors, partners, employees, agents, attorneys, successors and assigns, as well as all officers, directors, shareholders, managers, supervisors, partners, employees, agents, attorneys, successors and assigns of each parent, subsidiary, and affiliated entity. Released Parties specifically includes, but is expressly not limited to, Infinite Velocity Automotive Inc., Velocity Prime Automotive Inc., Velocity Triple Automotive Inc., Chae Song, Ray Malgradi, and Deborah Berenbrok.

1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1. On June 14, 2022, Plaintiff commenced this Action by filing a complaint alleging causes of action against Defendant for failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to provide accurate itemized statements, failure to pay all wages due upon separation of employment; and Violation of Business and Professions Code §§ 17200, *et seq.* On September 29, 2022, Plaintiff filed a First Amended Complaint to add a cause of action against Defendant for Enforcement of Labor Code §2698, *et seq.* On January 19, 2023, the Court granted Defendant’s Motion to Compel Arbitration and dismissed Plaintiff’s class claims and compelled Plaintiff’s individual PAGA claim to arbitration. The Action then proceeded on a representative-PAGA basis only. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On August 28, 2024, the Parties participated in an all-day mediation presided over by Jill Sperber, which led to this Agreement to settle the Action.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$450,000 and no more as the Gross Settlement Amount. The Gross Settlement Amount includes the Individual PAGA Payments to the Aggrieved Employees, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA

Counsel Litigation Expenses Payment, and the Administration Expenses Payment. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring any Aggrieved Employee to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Plaintiff's Individual Settlement Payment to Plaintiff of \$10,000 (in addition to any Individual PAGA Payment Plaintiff is entitled to receive as an Aggrieved Employee). A determination by the Court to approve a greater or lesser amount instead of this amount will neither entitle either party to void the agreement nor impact the Gross Settlement Amount.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the GSA, which is currently estimated to be \$150,000 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. A determination by the Court to approve a greater or lesser amount instead of this amount will neither entitle either party to void the agreement nor impact the Gross Settlement Amount.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$5,990 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,990, the Administrator will retain the remainder in the Net Settlement Amount. A determination by the Court to approve a greater or lesser amount instead of this amount will neither entitle either party to void the agreement nor impact the Gross Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: The PAGA Penalties will be paid from the

Gross Settlement Amount, after deducting the above amounts for PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Administrator Expenses Payment, and Plaintiff's Individual Settlement Payment, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are a total of 11,680 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 14 days of the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 10 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, Plaintiff's Individual Settlement Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel

Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. A notice letter explaining why the check is being sent (“Employee Notice”), in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as “Exhibit A,” will be included in the mailing of each Individual PAGA Payment. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to ~~the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.~~ California Court Appointed Special Advocates Association, a non-profit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) (“Cy Pres Recipient”). The Parties, PAGA Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, ~~the State of California, the LWDA, and PAGA Counsel~~ will release claims against all Released Parties as follows:

5.1 Plaintiff’s Individual Release. In addition to the claims released under Sections ~~65.2 and 6.3~~ below, Plaintiff and Plaintiff’s former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, agree to a general release of any and all claims, transactions, or occurrences against Released Parties—

which will include without limitation any and all claims which in any way relate to Plaintiff's employment with Defendant, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint or not, including but not limited to any claims under the Fair Labor Standards Act ("FLSA"), Title VII, Americans with Disabilities Act ("ADA"), Fair Employment and Housing Act ("FEHA"), Age Discrimination in Employment Act ("ADEA"), Private Attorneys General Act ("PAGA"), California Labor Code, or any Industrial Welfare Commission Wage Order—now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

- 5.2 Release by Aggrieved Employees Plaintiff's Release as Proxy of the LWDA:

~~All Aggrieved Employees, t~~Plaintiff, as a proxy and agent of the LWDA, releases ~~he State of California, and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns,~~ the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in ~~the Operative Complaint and~~ the PAGA Notices during the PAGA Period, including claims for (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (5) failure to reimburse expenses, (6) failure to provide accurate wage statements, and (7) failure to timely pay all wages due upon separation of employment; and (8) any and all claims arising out of or related to the following sections of the California Labor Code: 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1172.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

The Parties agree to jointly prepare and file an application or motion for approval of this

Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff (individually or through PAGA Counsel) will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement and (ii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2))).
- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and, subject to Defendant's approval, filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action, LLC to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action, LLC agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are 11,680 semi-monthly Pay Periods (or their functional equivalent) worked during the PAGA Period. If the number of semi-monthly Pay Periods (or their functional equivalent) exceeds 11,680 by more than 10% (e.g., 12,848), the Gross Settlement Amount will increase pro rata based on the actual number of semi-monthly pay periods (or their functional equivalent) relative to the 12,848 Pay Period threshold. By way of example, if the final number of semi-monthly Pay Periods were 15,000, the GSA would increase by 16.75%, which is the ratio of the 2,152 additional periods relative to the 12,848 threshold.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be

admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and

preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.13 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Aegis Law Firm, PC
Kashif Haque
Samuel Wong
Jessica L. Campbell
Kristy R. Connolly
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
kconnolly@aegislawfirm.com
(949) 379-6250

To Defendant:

John Boggs
Dave Reese
Tom Porter
FINE, BOGGS & PERKINS LLP
16870 West Bernardo Drive, Suite 360
San Diego, CA 92127
Phone: (858) 451-1240
Facsimile: (858) 451-1241
jboggs@employerlawyers.com
dreese@employerlawyers.com
tporter@employerlawyers.com
kcherry@employerlawyers.com

10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: _____

SEBASIAN CANO

By: _____
Sebastian Cano
Plaintiff

Dated: _____

INFINITE VELOCITY AUTOMOTIVE, INC.

By: _____
(Signature)

(Printed Name)

(Title)

APPROVED AS TO FORM ONLY:

Dated: _____

AEGIS LAW FIRM, PC

By: _____
Kristy R. Connolly
Attorneys for Named Plaintiff Sebastian Cano

Dated: _____

FINE, BOGGS & PERKINS LLP

By: _____
Dave Reese
Attorneys for Defendant Infinite Velocity
Automotive, Inc.

<<Mailing Date>>

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

Re: Individual PAGA Payment from *Cano v. Infinite Velocity Automotive, Inc.*,
 Alameda County Superior Court, Case No. 22CV012765

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

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement of a lawsuit entitled *Cano v. Infinite Velocity Automotive, Inc.*, Case No. 22CV012765 (“Action”), filed in the Superior Court of California for the County of San Alameda (“Court”).

The lawsuit was filed by Sebastian Cano (“Plaintiff”), a former employee of Infinite Velocity Automotive, Inc. (“Defendant”), 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 California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). Plaintiff alleged that Defendant violated the California Labor Code by failing to properly pay all minimum and overtime wages, provide lawful meal periods or compensation in lieu thereof, authorize or permit lawful rest breaks or provide compensation in lieu thereof, reimburse business expenses, provide accurate itemized wage statements, and timely pay all wages owed upon separation of employment.

Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following Aggrieved Employees: all current and former persons employed by Defendant in California as a non-exempt employee at any time from October 15, 2021 through May 18, 2024. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment check) because you have been identified as an Aggrieved Employee.

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. Your Individual PAGA Payment is based on the total number of pay periods that you worked as an Aggrieved Employee during the period between June 14, 2021 through September 30, 2024 (the “PAGA Period”). The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, Plaintiff, as a proxy of the California Labor and Workforce Development Agency, you will be deemed to will release the Released Parties from the Released PAGA Claims. The “Released Parties” means Defendant and each of its insurers, brands, concepts, affiliates, subsidiaries, parent companies, predecessors, successors, assigns, employees, officers, directors, agents, attorneys, administrators, representatives, heirs, estates, powers-of-attorney, and any individual or entity which could be jointly liable with Defendant. The “Released PAGA Claims” means and refers to all claims

for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the ~~Operative Complaint and the~~ PAGA Notices during the PAGA Period, including claims for (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (7) failure to reimburse expenses, (5) failure to provide accurate wage statements, and (6) failure to timely pay all wages due upon separation of employment.

Your Individual PAGA Payment check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual PAGA Payment will be cancelled and the funds will be transmitted to ~~the State Controller's Office Unclaimed Property Fund in your name~~ California Court Appointed Special Advocates Association.

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

EXHIBIT 3