

SETTLEMENT AGREEMENT AND RELEASE

Subject to approval by the Superior Court of California, County of Sacramento (“Court”), this Settlement Agreement and Release (“Agreement”) is made and entered by and between Plaintiffs Parkson Yee, Richard Daley, and Hillel Tran (“Plaintiffs,” “Plaintiff Yee,” “Plaintiff Daley,” and “Plaintiff Tran”), on behalf of themselves and as a representative aggrieved employee pursuant to Labor Code section 2698 *et seq.* (Private Attorneys General Act of 2004 (“PAGA”)), and Defendant RepairSmith, Inc. (“Defendant”) to settle the civil action entitled *Yee, et al., v. RepairSmith, Inc.* (Case No. 34-2022-00331092-CU-OE-GDS) (“Lawsuit”). Plaintiffs and Defendant are collectively referred to herein as the “Parties,” and each may be individually referred to herein as a “Party”.

RECITALS

This Agreement is made in consideration of the following facts:

- A. Plaintiffs are former hourly-paid, non-exempt employees of Defendant.
- B. Plaintiffs contend they suffered one or more violations of the Labor Code during their employment with Defendant and that they are “aggrieved employees” under PAGA. Pursuant to PAGA, an “aggrieved employee” may, after exhausting administrative remedies with the California Labor and Workforce Development Agency (“LWDA”), act as an agent of the State of California to bring an action to recover civil penalties from his or her former employer on behalf of himself or herself and other current or former employees for violations of the Labor Code.
- C. Pursuant to PAGA, on September 8, 2022, September 26, 2022, and November 2, 2022, Plaintiff Yee, Plaintiff Daley, and Plaintiff Tran submitted letters to the LWDA respectively (“PAGA Notice”) alleging that Defendant subjected them and other current and former hourly-paid or non-exempt employees of Defendant within the State of California to certain violations under the Labor Code, including sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802. These violations were premised upon Defendant’s alleged: (1) failure to compensate their hourly-paid or non-exempt employees for all hours worked; (2) failure to pay all minimum and overtime wages; (3) failure to provide, authorize, and/or permit meal and rest breaks (or pay premiums in lieu thereof); (4) failure to keep and provide complete and accurate wage statements; (5) failure to reimburse employees for all necessary business expenses and related costs; (6) failure to timely pay all wages due during employment and upon termination; and (7) failure to maintain accurate and complete payroll records, all of which are collectively referred to herein as the “PAGA Claims.”
- D. The Lawsuit includes the complaint Plaintiff Yee and Plaintiff Daley filed on December 7, 2022 that seeks to recover civil penalties and attorneys’ fees based on the PAGA Claims. On January 23, 2023, Plaintiff Yee and Plaintiff Daley filed a First Amended Complaint that added Plaintiff Tran as a named plaintiff.

E. After evaluating the strengths and weaknesses of their positions, considering the time, expense, and risk associated with litigating the Lawsuit to judgment, and engaging in arm's-length settlement negotiations at an all-day mediation session on March 19, 2024 with mediator Mike Ludwig, an experienced and well-respected mediator, the Parties desire, and have agreed, to fully and finally settle any and all claims in the Lawsuit ("Settlement") up to and through the Settlement Period (as defined herein).

F. In line with the settlement, Plaintiffs filed a Second Amended Complaint updating the alleged Labor Code violations, further articulating the claims and theories set forth in the Plaintiffs' PAGA Notices, under the Labor Code, including the additional sections, 201.3, 201.5, 201.6, 201.8, 201.9, 205.5, 432.6, 551, 552, 558.1, and 1199.

G. Defendant denies all the allegations in the Lawsuit and any contention that Defendant committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the Labor Code.

H. The Parties have each independently analyzed and investigated the facts and law relevant to the Lawsuit through discovery. Pursuant to discovery, Defendant produced, and Plaintiffs reviewed, a substantial amount of documents and data, including, but not limited to, information pertaining to the employment policies, practices, and procedures implicated by the PAGA Claims. This included Defendant's meal and rest breaks, overtime, timekeeping, and payroll policies, sampling of timekeeping and payroll records, wage statements for Plaintiffs and other hourly-paid or non-exempt employees on whose behalf Plaintiffs brought the PAGA Claims asserted in the Lawsuit, and summaries of data pertaining to the number of employees allegedly affected by the PAGA Claims. The Parties have had ample opportunity to evaluate their respective positions on the merits of the claims asserted.

I. The Parties agree to cooperate and to take all steps necessary and appropriate to effectuate all aspects of this Agreement, to obtain the Court's approval of this Settlement, and to dismiss the Lawsuit with prejudice upon approval and funding of the Settlement.

NOW, THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree to, and, pursuant to Labor Code section 2699(1)(2), seek approval of, the following settlement terms.

SETTLEMENT TERMS

1. **Court Approval of the Agreement.** In accordance with Labor Code section 2699(1)(2), the Parties will present this Agreement to the Court for its review and approval via a stipulation or noticed motion.

2. **Delivery of Agreement to the LWDA.** As required by Labor Code section 2699(1)(2), Plaintiffs will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Court for approval.

3. **Effective Date.** This Agreement shall become fully effective the later of either: (a) the Court has granted the motion for approval of the Settlement and approved amounts for Attorneys' Fees Award, Litigation Costs Award, Administration Costs, Enhancement Payments, PAGA Penalties Fund (terms as defined herein), Released Claims, and all the other material terms of this Agreement and has entered the Final Judgment consistent with this Agreement; or (b) if the LWDA or any other individual files an objection, the date there is a final resolution of the objection or appeal.

4. **No Admission of Liability.**

(a) The Parties acknowledge and agree this Agreement is the result of, and evidences, a compromise and settlement of disputed claims in the Lawsuit. Defendant denies and continues to deny all of the allegations made in the Lawsuit and denies and continues to deny that it is liable or owes any damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Lawsuit. Defendant denies any liability or wrongdoing of any kind in connection with Plaintiffs' claims, and contends that, during all relevant time periods, it complied in all respects with applicable state and federal laws and regulations. Nonetheless, without admitting or conceding any liability or damages whatsoever, and without admitting that a representative PAGA action is appropriate except for settlement purposes alone, Defendant agreed to settle the Lawsuit on the terms and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of continued litigation.

(b) The Parties understand and agree that this Agreement and any exhibits thereto are settlement documents and shall be inadmissible for any purpose in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of this Agreement. The Parties agree that, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

5. **Persons and Entities Covered by this Agreement.**

(a) **The Settlement Period.** This Agreement shall cover the period from November 2, 2021, through March 22, 2024 ("Settlement Period").

(b) **The Settlement Group.** This Agreement shall cover all current or former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California at any time during the Settlement Period. Such employees shall be collectively referred to herein as the "Settlement Group." Each employee within the Settlement Group may be individually referred to herein as a "Settlement Group Member."

(i) The Parties agree that there will be no right of Settlement Group Members to opt out of or object to the Settlement. Furthermore, there will be no claims process and no reversion.

(ii) Defendant estimates there are about 236 Settlement Group Members that worked around 5,282 pay periods during the Settlement Period.

6. **Settlement Administration.**

(a) The Parties will retain Phoenix Class Action Administration Solutions to act as the “Settlement Administrator” with respect to this Agreement.

(b) The Settlement Administrator shall be responsible for establishing a qualified settlement fund pursuant to 26 U.S.C. section 486B, making all payments required by this Agreement, handling all required tax withholding and reporting related thereto to the extent necessary, and issuing all appropriate tax forms to Plaintiffs, Plaintiffs’ Counsel, the Settlement Group, and LWDA resulting from the settlement payments under this Agreement.

(c) Any disputes concerning administration of the Agreement may be submitted to the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the mediator’s assistance, the dispute may be submitted to and resolved by the Court.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement – including the releases set forth in Section 9 of this Agreement – Defendant shall pay the maximum gross sum of \$120,000 (“Gross Settlement Amount”), in the manner and method set forth in this Agreement, to fully, finally, and completely settle the Lawsuit and PAGA Claims alleged therein on behalf of the Settlement Group, including any and all associated claims for civil penalties, attorneys’ fees, interest, and litigation costs and expenses. Nothing in this Agreement, aside from the conditions set forth in Section 10, shall require Defendant to pay, or make Defendant liable for, more than the Gross Settlement Amount to fully, finally, and completely settle the Lawsuit and all claims alleged therein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following categories of payments: proposed award of attorneys’ fees to Plaintiffs’ Counsel (“Attorneys’ Fees Award”), proposed award of litigation costs and expenses to Plaintiffs’ Counsel (“Litigation Costs Award”), proposed payment of settlement administration costs to the Settlement Administrator (“Administration Costs”), proposed enhancement payments to Plaintiffs (“Enhancement Payments”), and proposed payments of civil penalties to the LWDA and Settlement Group (“PAGA Penalties Fund”). Subject to approval by the Court, these amounts shall be paid and allocated as set forth below in Sections 7(b)(i) through 7(b)(v) of this Agreement.

(i) **Attorneys’ Fees Award.**

(A) Plaintiffs’ Counsel in the Lawsuit – Douglas Han and Shunt Tatavos-Gharajeh of Justice Law Corporation (“Plaintiffs’ Counsel”) – may submit a combined application to the Court for an award of attorneys’ fees in an amount not to exceed the gross sum of \$42,000 (35% of the Gross Settlement Amount). Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys’ fees except as provided for in this Agreement.

(B) Any Attorneys' Fees Award approved by the Court will be paid by Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiffs may have for attorneys' fees arising out of the Lawsuit through the Effective Date of this Agreement, including work not yet performed.

(C) This Agreement is not contingent upon the Court approving an Attorneys' Fees Award in an amount equal to the maximum amount authorized by Section 7(b)(i)(A) of this Agreement. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve an Attorneys' Fees Award that is less than the amount authorized by Section 7(b)(i)(A) of this Agreement or the amount requested by Plaintiffs' Counsel. The Court's refusal to approve the Attorneys' Fees Award requested by Plaintiffs' Counsel does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(D) If any portion of the Attorneys' Fees Award authorized by Section 7(b)(i)(A) of this Agreement is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Attorneys' Fees Award. Additionally, any difference between the Attorneys' Fees Award authorized by Section 7(b)(i)(A) and Attorneys' Fees Award approved by the Court will become part of the PAGA Penalties Fund.

(ii) **Litigation Costs Award.**

(A) Plaintiffs' Counsel may submit an application to the Court for an award for reimbursement of litigation costs and expenses incurred by Plaintiffs' Counsel in connection with the Lawsuit that is currently estimated not to exceed the combined gross sum of \$12,000 ("Litigation Costs Award"). Defendant will not oppose or object to this application. Defendant shall have no liability for attorneys' costs except as provided for in this Agreement.

(B) Any Litigation Costs Award approved by the Court will be paid by Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiffs may have for litigation costs and expenses arising out of the Lawsuit through the Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

(C) This Agreement is not contingent upon the Court approving a Litigation Costs Award in an amount equal to the maximum amount authorized by Section 7(b)(ii)(A) of this Agreement. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve a Litigation Costs Award that is less than the amount authorized by Section 7(b)(ii)(A) of this Agreement or the amount requested by Plaintiffs' Counsel. The Court's refusal to approve the Litigation Costs Award requested by Plaintiffs' Counsel does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(D) If any portion of the Litigation Costs Award authorized by Section 7(b)(ii)(A) of this Agreement is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Litigation Costs Award. Additionally, any difference between the Litigation Costs Award authorized by Section 7(b)(ii)(A) and Litigation Costs Award approved by the Court will become part of the PAGA Penalties Fund.

(iii) **Administration Costs.**

(A) Subject to approval by the Court, an amount currently estimated at \$4,500 will be paid to the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement administration process ("Administration Costs"). If the actual costs of the settlement administration process are less than the amount approved by the Court, the balance will become part of the PAGA Penalties Fund.

(B) Any Administration Costs approved by the Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Court approving Administration Costs in an amount equal to the maximum amount authorized by Section 7(b)(iii)(A) of this Agreement. This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve Administration Costs in an amount that is less than the amount authorized by Section 7(b)(iii)(A) of this Agreement. The Court's refusal to approve the Administration Costs requested does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(D) If any portion of the Administration Costs authorized by Section 7(b)(iii)(A) of this Agreement is not approved by the Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Additionally, the difference between the Administration Costs authorized by Section 7(b)(iii)(A) and Administration Costs approved by the Court will become part of the PAGA Penalties Fund.

(iv) **Enhancement Payments.**

(A) Plaintiffs may submit an application to the Court for an award of enhancement payments in an amount not to exceed \$2,500 to each Plaintiff (totaling \$7,500) for the time and effort and for the risk undertaken in bringing and prosecuting the Lawsuit. Defendant shall not oppose any requests by Plaintiffs for the Enhancement Payments, which will be paid out of the Gross Settlement Amount.

(B) This Agreement is not contingent upon the Court approving the Enhancement Payment in an amount equal to the maximum amount authorized by Section 7(b)(iv)(A). This Agreement and its terms shall remain fully effective and enforceable notwithstanding any decision by the Court to approve the Enhancement Payments in an amount less than that authorized by Section 7(b)(iv)(A). The Court's refusal to approve the Enhancement

Payments requested by Plaintiffs' Counsel does not give Plaintiffs, Settlement Group, or Plaintiffs' Counsel any basis to abrogate this Settlement.

(C) If any portion of the Enhancement Payments authorized by Section 7(b)(iv)(A) is not approved by the Court, no more than the approved amount shall be paid to Plaintiffs from the Gross Settlement Amount. Additionally, any difference between the Enhancement Payments authorized by Section 7(b)(iv)(A) and Enhancement Payments approved by the Court will become part of the PAGA Penalties Fund.

(v) **PAGA Penalties Fund.** The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payments, and Administration Costs are paid shall be designated the "PAGA Penalties Fund," from which payments deemed to constitute a full and complete satisfaction of any and all claims in the Lawsuit for civil penalties under PAGA shall be made. Subject to approval by the Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA for enforcement of labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under the Labor Code.

(B) **Individual Settlement Awards.** Twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the "Net Settlement Amount" and will be paid to the Settlement Group on a pro rata basis. Each Settlement Group Member will receive a pro-rated share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked as an hourly-paid or non-exempt employee of Defendant during the Settlement Period. The maximum amount that each Settlement Group Member is entitled to receive ("Individual Settlement Award") is determined by multiplying the Net Settlement Amount by a ratio that is determined by dividing the total number of pay periods worked by the Settlement Group Member for Defendant in California during the Settlement Period by the total number of pay periods worked by all Settlement Group Members for Defendant in California during the Settlement Period, as expressed in the following formula:

(1) Individual Settlement Award = Net Settlement Amount x (total number of pay periods worked by the Settlement Group Member ÷ total number of pay periods worked by all Settlement Group Members).

(2) The Parties intend the Net Settlement Amount shall be sufficient to pay all valid claims of Settlement Group Members in accordance with the formula set forth above. If for any reason the total value of payments to Settlement Group Members exceeds this amount, then payments to each Settlement Group Member will be adjusted on a pro-rata basis so that the total payout to Settlement Group Members does not exceed the Net Settlement Amount.

(c) **No Effect on Employee Benefits.** The payments made to Settlement Group Members pursuant to this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group. It is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Group Members may be entitled under any benefit plans.

(i) **Payments to Plaintiffs' Counsel.** The Attorneys' Fees Award and Litigation Costs Award shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to Justice Law Corporation in connection with its Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payments to the LWDA.** The seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA under Section 7(b)(v)(A) of this Agreement shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iii) **Payments to the Settlement Group.** Individual Settlement Awards shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. An IRS Form 1099 will be issued to each Settlement Group Member in connection with his or her Individual Settlement Award if it is \$600 or more.

(d) **Tax Indemnification.** Plaintiffs, Plaintiffs' Counsel, Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and the payment of the amounts set forth above in Section 7(b). Neither Defendant nor Defendant's counsel make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

8. **Distribution of Settlement Payments.**

(a) **Funding of Settlement by Defendant.** Within twenty-one (21) calendar days of the Effective Date, Defendant shall deposit the Gross Settlement Amount into the qualified settlement fund created by the Settlement Administrator.

(b) **Timing of Payment by Settlement Administrator.** Within twenty-one (21) calendar days of the funding of the Settlement by Defendant, the Settlement Administrator will issue the payments required by Section 7 of this Agreement to the appropriate entities or persons. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual Settlement Awards.

(c) **Payment of Individual Settlement Awards.**

(i) Within twenty-one (21) calendar days of the Effective Date, Defendant shall provide to the Settlement Administrator a list of Settlement Group Members that identifies each of their: (1) Social Security Numbers; (2) last known addresses; (3) telephone numbers; and (4) number of pay periods worked for Defendant during the Settlement Period. Defendant agrees to consult with the Settlement Administrator as required to provide the list in a format reasonably acceptable for the performance of the duties of the Settlement Administrator. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process. The list of Settlement Group Members shall not be shared with Plaintiffs or Plaintiffs' Counsel.

(ii) Individual Settlement Awards will be paid in the form of a check delivered to each Settlement Group Member at the last known address on file with Defendant or as updated by the Settlement Administrator. Each Individual Settlement Award will be accompanied by an explanatory letter in English and Spanish, mutually approved by the Parties, substantially in the form attached hereto as **Exhibit A**.

(iii) Individual Settlement Award checks will remain negotiable for one hundred twenty (120) calendar days after the date of their issuance ("Check Stale Date"). Any Individual Settlement Award checks that are not cashed, deposited, or negotiated after the Check Stale Date will be void, and the amount of those checks will be paid to the California Controller's Unclaimed Property Fund in the name of the Settlement Group Member.

(iv) Any checks to the Settlement Group returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing.

(v) Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement. But the funds associated with such Settlement Group Member's Individual Settlement Award will be paid to the entity set forth above.

9. **Releases.**

(a) **Release of PAGA Claims.** Effective on the date when Defendant fully funds the Gross Settlement Amount, this Agreement and judgment to be entered by the Court following this Agreement will forever bar Plaintiffs and LWDA from pursuing any action against Defendant and all its parent and subsidiary companies, affiliates, holding companies, predecessors, successors, assigns, employees, officers, directors, insurers, attorneys, and agents (collectively, the "Released Parties") under PAGA based on or arising out of violations of Labor Code sections alleged in the Lawsuit, and claims that could have been asserted in the Lawsuit

based upon the facts alleged in the operative complaints and PAGA Notice through the end of the Settlement Period ("Released Claims"). The Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 432.6, 510, 512(a), 551, 552, 558, 558.1, 1174(d), 1194, 1197, 1197.1, 1198, 1199, 2800, and 2802, all related claims for civil penalties under the governing Wage Orders, and claims for attorneys' fees, costs, or interest resulting therefrom.

(b) **Plaintiffs' Release.** Plaintiffs and their respective agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or could have been, alleged, based on the facts contained in the Lawsuit and the PAGA Notice ("Plaintiffs' Release"). Plaintiffs' 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, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

(i) **Plaintiffs' Waivers of Rights Under Civil Code Section 1542.** For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the 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.

10. **Escalator Clause.** This Agreement was reached based on a total number of approximately 5,282 pay periods worked by Settlement Group Members in the Settlement Period. If it is determined the number of pay periods within the Settlement Period exceeds ten percent (10%) or more of 5,282 (*i.e.*, more than 5,810 pay periods), then at Defendant's option: (a) the Gross Settlement Amount shall increase proportionally over the ten percent (10%) increase (*i.e.*, if the number of pay periods increases by 11%, the Gross Settlement Amount will increase by 1%); or (b) the Settlement Period will end one (1) week prior to the date that the number of pay periods reaches 5,810.

11. **Dismissal.** Upon the Court's approval of this Agreement and payment of all sums required by this Agreement, Plaintiffs shall file a request for dismissal of the Lawsuit in its entirety as to Defendant with prejudice. Pursuant to Code of Civil Procedure section 664.6, the Court shall retain jurisdiction to enforce the terms of this Agreement.

12. **Waiver of Appeal Rights.** By accepting this Settlement, and upon the Court granting approval of the settlement, Plaintiffs and Plaintiffs' Counsel hereby waive any and all rights they may have to appeal any judgment, ruling, or order made by the Court in the Lawsuit including, without limitation, any order granting approval of this Settlement or dismissing the Lawsuit with prejudice. This includes all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, a motion for relief, and any extraordinary writ, and the approval, therefore, will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings. If an appeal is taken from the approval, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the approval becomes final.

13. **Acknowledgement of Fair and Reasonable Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel. Each of the Parties acknowledges, agrees, and believes this Agreement is a fair, adequate, and reasonable settlement of the Lawsuit. The Parties further acknowledge they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement. Each Party to this Agreement agrees and represents it has investigated the facts relevant to this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary. The Parties agree this Agreement reflects their good faith compromise of the claims raised in the Lawsuit based on their assessment of the mutual risks and costs of further litigation and the assessments of their counsel.

14. **Authority to Enter the Agreement.** Each Party represents and warrants it has the right and authority to execute this Agreement. It is agreed that the Settlement Group Members are so numerous that it is impossible or impractical to have each member execute this Agreement. It is agreed that this Agreement may be executed on behalf of the Settlement Group Members by Plaintiffs and Plaintiffs' Counsel.

15. **Ownership of Claims.** The Parties represent they have not transferred or assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

16. **Authorization of Counsel.** The Parties' counsel warrant and represent they are authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate its terms.

17. **Attorneys' Fees.** Except as set forth in this Agreement, each side shall bear its own costs and attorneys' fees.

18. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, the Parties and their counsel will keep confidential the facts relating to the existence of this Agreement, negotiations leading to the execution of this Agreement, terms of this Agreement, and alleged factual basis for Plaintiffs'

claims, if any. Neither the Parties nor their counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiffs' Counsel may reference the Action only by name and case number in a declaration establishing adequacy as class or representative counsel.

19. **Legally Protected Communications and Activities not Affected or Impacted by this Agreement.** Plaintiffs understand and expressly acknowledge that:

(a) Notwithstanding any other provision of this Agreement or any other agreement Plaintiffs may have with Defendant or any of the other Released Parties, pursuant to 18 U.S.C. section 1833(b), Plaintiffs will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of Defendant and/or any of the other Released Parties that (i) is made: (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to Plaintiffs attorney, and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Plaintiffs file a lawsuit alleging retaliation by Defendant or any of the other Released Parties for reporting a suspected violation of law, Plaintiffs may disclose the trade secret to Plaintiffs attorney and use the trade secret information in the court proceeding, if Plaintiffs: (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement is intended to conflict with 18 U.S.C. section 1833(b) or create liability for disclosures of trade secrets that are legally and expressly allowed by such section.

(b) Nothing in this Agreement or any other agreement Plaintiffs may have with Defendants or any of the other Released Parties shall prohibit or restrict Plaintiffs from, without prior notice to Defendant or any of the other Released Parties: (i) voluntarily communicating with an attorney retained by Plaintiffs; (ii) voluntarily communicating with, filing a charge with, or testifying before any law enforcement or governmental agency, including the Securities and Exchange Commission (hereinafter referred to, and defined in, this Agreement as the "SEC"), the Equal Employment Opportunity Commission (referred to, and defined in, this Agreement as the "EEOC"), the National Labor Relations Board (hereinafter referred to, and defined in, this Agreement as the "NLRB"), the United States Department of Labor, a Federal, State or local commission on human rights, or any self-regulatory organization, or otherwise initiating with, or participating in any manner with, an investigation conducted by such government agency or organization, in each case, regarding possible violations of law and without advance notice to Defendants, and/or any of the other Released Parties; (iii) seeking and obtaining payment or an award from the SEC, pursuant to section 21F of the Securities Exchange Act of 1934, as amended, or obtaining any other "whistleblower" award, to the extent such right cannot by law be waived; (iv)

disclosing any of Defendant's information to a court or other administrative or legislative body in response to a subpoena, court order, or written request from a governmental entity, including the SEC, NLRB, EEOC, the United States Department of Labor, a Federal, State or local commission on human rights directed Plaintiffs in Plaintiff's individual capacity; (v) disclosing Defendant's information to a court or other administrative or legislative body in response to a subpoena, court order, or written request from a non-governmental entity directed to Plaintiffs in Plaintiffs' individual capacity; provided that, with respect to any such subpoena, court order, or written request from a non-governmental entity, Plaintiff shall first promptly notify (to the extent legally permissible) Defendant and use commercially reasonable efforts to cooperate with any effort by Defendant to seek to challenge the subpoena, court order, or written request on behalf of any non-governmental person or entity or obtain a protective order limiting its disclosure, or other appropriate remedy; (vi) filing or disclosing any facts necessary to receive unemployment insurance, Medicaid, or other public benefits to which Plaintiff is entitled; or (vii) disclosing the underlying facts or circumstances relating to claims of discrimination, in violation of laws prohibiting discrimination, against Defendant or any of the other Released Parties or making truthful statements or disclosures related to unlawful discrimination, harassment, or retaliation, or otherwise discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Plaintiffs have reason to believe is unlawful.

(c) Nothing in this Agreement or in any other agreement Plaintiffs may have with Defendant or any of the other Released Parties restricts or limits Plaintiffs from enforcing Plaintiffs' rights under section 7 of the National Labor Relations Act, participating in activity protected under section 7 the National Labor Relations Act (including the right to communicate with former co-workers and/or third parties about terms and conditions of employment or labor disputes, unrelated to the fact or amount of the Settlement Payment under this Agreement), or cooperating through investigation, testimony, or otherwise with the NLRB.

(d) Nothing in this Agreement or in any other agreement Plaintiffs may have with Defendants or any of the other Released Parties restricts or limits Plaintiffs from disclosing or discussing conduct, or the existence of a settlement involving conduct, relating to a dispute: (i) involving a nonconsensual sexual act or sexual contact, as such terms are defined in section 2246 of title 18, United States Code, or similar applicable Tribal or State law, including when the victim lacks capacity to consent; or (ii) relating to conduct that is alleged to constitute sexual harassment under applicable Federal, Tribal, or State law.

20. **Duty to Cooperate.** Each Party agrees it will abide by this Agreement and that the Parties and their counsel will cooperate with each other to effect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Court, including, but not limited to, fully documenting the settlement, completing or filing any other documents or pleadings, arguing that the terms and conditions

agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the assistance of the mediator, the Parties may seek the assistance of the Court.

21. **Nullification of Agreement.** Defendant's payment of the Gross Settlement Amount shall be subject to the Court granting approval. If the Court fails to grant approval, the Parties shall be returned to their original positions as though this Agreement had never been entered into at all, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

22. **Defendant's Option to Revoke.** If the settlement, or any terms therein, is modified, vacated, altered, or becomes otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Court in its entirety and, therefore, the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke this Agreement at its sole discretion.

23. **Severability.** If any clause or provision of this Agreement is declared illegal or unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

24. **Governing Law and Interpretation.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any legal principle or rule providing that in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

25. **Continuing Jurisdiction of the Court.** Pursuant to Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over the Lawsuit and Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

26. **Admissibility of Agreement.** The Parties agree this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement, as set forth herein, pursuant to Evidence Code section 1123.

27. **Amendment and Modification.** This Agreement may not be modified, altered, or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties.

28. **Discovery of Documents and Information.** Plaintiffs and Plaintiffs' Counsel agree that they will destroy all documents and information provided to them by Defendant during this Lawsuit within sixty (60) calendar days after the completion of the administration of the Settlement. Plaintiffs' Counsel agree that none of the documents and information provided to them by Defendant shall be used for any purpose other than Settlement of the Lawsuit.

29. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

30. **No Representations.** The Parties acknowledge, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

31. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same force, validity, and effect as original signatures.

* * *

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: 08/13/2024

Parkson Yee

By: 

Dated: _____

Richard Daley

By: _____

Dated: _____

Hillel Tran

By: _____

Dated: _____

Justice Law Corporation [Approving as to Form Only]

By: _____
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiffs

Dated: _____

RepairSmith, Inc.

By: _____
On behalf RepairSmith, Inc.

Dated: _____

Fisher & Phillips LLP [Approving as to Form Only]

By: _____
Christopher C. Hoffman, Esq.
A.J. Sparagna, Esq.
Attorneys for Defendant

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: _____

Parkson Yee

By: _____

Dated: 08/15/2024

Richard Daley

By:  _____

Dated: _____

Hillel Tran

By: _____

Dated: _____

Justice Law Corporation [Approving as to Form Only]

By: _____

Douglas Han, Esq.

Shunt Tatavos-Gharajeh, Esq.

Attorneys for Plaintiffs

Dated: _____

RepairSmith, Inc.

By: _____

On behalf RepairSmith, Inc.

Dated: _____

Fisher & Phillips LLP [Approving as to Form Only]

By: _____

Christopher C. Hoffman, Esq.

A.J. Sparagna, Esq.

Attorneys for Defendant

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: _____

Parkson Yee

By: _____

Dated: _____

Richard Daley

By: _____

Dated: 08/22/2024

Hillel Tran

By: Hillel Tran

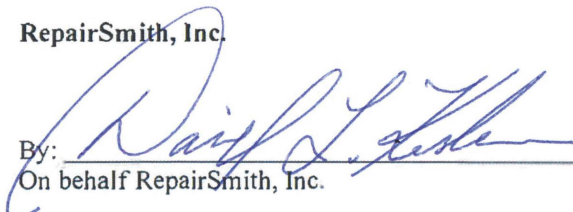
Dated: 8/22/24

Justice Law Corporation [Approving as to Form Only]

By: 
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiffs

Dated: 9/4/24

RepairSmith, Inc.

By: 
On behalf RepairSmith, Inc.

Dated: 9/4/24

Fisher & Phillips LLP [Approving as to Form Only]

By: 
Christopher C. Hoffman, Esq.
A.J. Sparagna, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

Yee, et al., v. RepairSmith, Inc.
Superior Court of California, County of Sacramento
Case No. 34-2022-00331092-CU-OE-GDS

Dear [Settlement Group Member's Name]:

Enclosed with this letter is a settlement check being paid to you pursuant to the settlement of the lawsuit filed in the Superior Court of California, County of Sacramento, entitled *Yee, et al., v. RepairSmith, Inc.*, Case Number 34-2022-00331092-CU-OE-GDS (“Action”). The purpose of this letter is to provide you with basic information about the Action, the reasons why you are receiving the enclosed settlement check, and the effect of the settlement on your legal rights.

I. The Action

On December 7, 2022, Plaintiffs Parkson Yee and Richard Daley, former employees of Defendant RepairSmith, Inc. (“Defendant”), commenced this Action by filing a complaint against Defendant pursuant to Labor Code section 2698 (Private Attorneys General Act of 2004 (“PAGA”)) in the Superior Court of California, County of Sacramento. On January 23, 2023, Plaintiff Plaintiffs Parkson Yee and Richard Daley filed a First Amended Complaint that added Plaintiff Hillel Tran as a named plaintiff (“Operative Complaint”). The Action was brought on behalf of the State of California and all current or former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California at any time during the period from November 2, 2021, through March 22, 2024, otherwise referred to as “Settlement Group Members”.

In the Action, Plaintiffs claimed Defendant owed civil penalties under PAGA to Plaintiffs and the Settlement Group Members for alleged violations of the Labor Code. Defendant denies it violated the Labor Code, denies the allegations in the Operative Complaint, and denies all liability under PAGA to Plaintiffs, Settlement Group Members, and State of California.

The merits of the Action have not been determined. However, on [Approval Date], the Superior Court of California, County of Sacramento, approved a settlement of the Action that Defendant entered to avoid the costs and disruption of litigation.

II. Why This Settlement Check Is Being Sent to You

The settlement approved by the Superior Court of California, County of Sacramento, involves a payment of civil penalties. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement goes to the California Labor and Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement will be distributed to all Settlement Group Members. The enclosed settlement check is being sent to you because you have been identified as a Settlement Group Member.

III. How the Amount of Your Settlement Check Was Determined

The enclosed settlement check was calculated based on the total number of pay periods you worked for Defendant from November 2, 2021, through March 22, 2024 relative to all other Settlement Group Members.

Your settlement check will remain negotiable for one hundred twenty (120) calendar days after its mailing. If your settlement check is not cashed, deposited, or negotiated within this timeframe, it will be voided and paid to the California Controller's Unclaimed Property Fund to be held in your name.

IV. Consequences of the Settlement

The Action was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

As a result of this settlement, Plaintiffs and State of California have fully released and forever discharged Defendant and all its parent and subsidiary companies, affiliates, holding companies, predecessors, successors, assigns, employees, officers, directors, insurers, attorneys, and agents ("Released Parties") from any and all claims to recover civil penalties for any violations of, including but not limited to, Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 432.6, 510, 512(a), 551, 552, 558, 558.1, 1174(d), 1194, 1197, 1197.1, 1198, 1199, 2800, and 2802, all related claims for civil penalties under the governing Wage Orders, and claims for attorneys' fees, costs, or interest resulting therefrom that may have arisen between November 2, 2021, through March 22, 2024 ("Released Claims").

V. Taxation of Your Individual Settlement Award

You will be issued an IRS Form 1099 in connection with the funds paid to you via the enclosed check if your Individual Settlement Award is \$600 or more. However, you are solely responsible for all tax obligations attributable to you that may arise as a result of receiving the settlement check. If you have any tax-related questions regarding your receipt of the enclosed check, you should direct them your own tax advisor.

VI. Where to Get More Information

Do not call or contact the Superior Court of California, County of Sacramento, about this letter, settlement, settlement check sent to you, or Action in general. If you have questions about this letter, settlement, settlement check sent to you, or Action in general, you may contact the Settlement Administrator [INSERT SETTLEMENT ADMINISTRATOR] at [INSERT CONTACT INFORMATION].

Dated: INSERT DATE

**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is ccastro@justicelawcorp.com

On December 4, 2024, I served the foregoing document described as

SETTLEMENT AGREEMENT AND RELEASE

for the following case: **Parkson Yee, et al. v. Repairsmith, Inc.**
LWDA/Court Case No.: **LWDA Case No.: CM-906722-22**
LWDA Case No.: CM-910120-22
LWDA Case No.: CM-917376-22
Court Case No.: 34-2022-00331092-CU-OE-GDS
Sacramento County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on December 4, 2024, at Pasadena, California.



Christina Castro