SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIM

This Settlement Agreement and Release of the Private Attorneys General Act Claim ("Agreement") is made by and between plaintiff Oswaldo Gervacio ("Plaintiff"), on behalf of himself and on behalf of all other Aggrieved Employees (as defined below), and defendant *Axis Automotive Group, LLC* ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS

1.1. "Action" collectively refers to Plaintiff's PAGA lawsuit alleging Labor Code violations for PAGA penalties only against Defendant captioned *Oswaldo Gervacio v. Axis Automotive Group, LLC, et al.*, Case No. 25AVCV01118, initiated on September 2, 2025, and pending in Superior Court of the State of California, County of Los Angeles.

1.2. "Administrator" means Simpluris, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

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. "Aggrieved Employees" means all current and former non-exempt employees employed by Defendant for at least one PAGA Pay Period in California at any time between June 27, 2024 through March 17, 2026.

1.5. "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.

1.6. "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.

1.7. "Court" means the Superior Court of California, County of Los Angeles.

1.8. "Defendant" means named Defendant Axis Automotive Group, LLC.

1.9. "Defense Counsel" means and refers to Fisher & Phillips LLP.

1.10. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters an order Approving the PAGA Settlement and (b) the order is final. The order is final the day it is entered by the Court.

1.11. "Gross Settlement Amount" means $90,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay the Representative Enhancement Award, Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of thirty-five percent (35%) of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699, subd. (i).

1.15. "LWDA PAGA Payment" means the sixty-five (65%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, Representative Enhancement and Representative's General Release Award, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.17. "PAGA Counsel" means Tapanian Law, APC, the attorneys representing the Plaintiff in the Action.

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 Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one (1) day during the PAGA Period.

1.20. "PAGA Period" means the period from June 27, 2024 through March 17, 2026.

1.21. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. Et seq.).

1.22. "PAGA Notice" means Plaintiff's June 27, 2025 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.23. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated thirty-five percent (35%) to the Aggrieved Employees ($11,900.00, gross) and the sixty-five (65%) to LWDA ($22,100.00, gross) in settlement of PAGA claims.

1.24. "Plaintiff" means Oswaldo Gervacio, the named plaintiff in the Action.

1.25. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.26. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.27. "Released Parties" means: Defendant and each of its former and present directors, officers, shareholders, owners, members, employees, agents, trustees, principals, managers, representatives, attorneys, insurers, predecessors, successors, assigns, accountants, parent companies, subsidiaries, and affiliates, and all persons acting under, by, through, or in concert with any of them.

1.28. "Representative Enhancement and General Release Award" means the amount of money for which Plaintiff shall make application to the Court for services performed and risk incurred in bringing the Action, in an amount not to exceed Ten Thousand Dollars and No Cents ($10,000.00), which shall be paid out of the Gross Settlement Amount.

1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.30. "Superior Court Action" means Plaintiff's PAGA lawsuit alleging Labor Code violations for PAGA penalties only against Defendant captioned *Oswaldo Gervacio v. Axis Automotive Group, LLC, et al.*, Case No. 25AVCV01118, initiated on September 2, 2025, and pending in Superior Court of the State of California, County of Los Angeles, only.

2. <u>RECITALS</u>

2.1. On September 2, 2025, Plaintiff, on behalf of himself and similarly Aggrieved Employees commenced this Action by filing a Complaint alleging a single cause of action against Defendant, alleging Private Attorney General Act Penalties for violations of the California Labor Code committed against Plaintiff and the other Aggrieved Employees for failure to pay overtime and double time, failure to pay minimum wage, failure to provide rest and meal periods, failure to keep accurate payroll records and provided itemized wage statements, failure to provide employment records, failure to pay reporting time wages, failure to pay split shift wages, failure to pay all wages earned on time, failure to pay all wages earned upon discharge, failure to reimburse necessary, business-related expenses, failure to provide notice of paid sick time and accrual and engaged in other conduct that resulted in violations of the California Labor Code, including but not limited to violations of California Labor Code sections 98.6, 201, 202, 203, 204, 206, 210, 226, 226(a), 226.3, 226.7, 226.8, 227.3, 246, 432, 510, 512(a), 515(a), 558(a), 1174(d), 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2753, 2800, 2802, California Code of Regulations, Title 8, sections 11050(5)(A), 11050(4)(C), as well as violations of the applicable IWC Wage Order.

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. Prior to settlement, Plaintiff obtained, through informal discovery in the Superior Court Action, information and documentation concerning the claims set forth in the Action, such as documentation regarding Plaintiff's employment and a representative, random sampling of data related to putative Aggrieved Employees including but not limited to the number of putative Aggrieved Employees and the total pay periods worked by the Aggrieved Employees during the PAGA Period.

2.4. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

3.1. Subject to the Court's approval of this Settlement pursuant to Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

3.2. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $90,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.3. 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:

3.3.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than forty percent (40%), which is currently estimated to be thirty-six thousand dollars and zero cents ($36,000.00), plus PAGA Counsel Litigation Expenses Payment of not more than $5,000.00. 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 a joint stipulation for approval of settlement, including 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.

3.3.2. To the Administrator: An Administrator Expenses Payment not to exceed ($5,000.00) 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 ($5,000.00), the Administrator will retain the remainder in the Net Settlement Amount.

3.3.3. To Plaintiff: The Plaintiff shall receive a Representative Enhancement and General Release Award of up to Ten Thousand Dollars and Zero Cents ($10,000.00) for services as the PAGA representative and for a General Release of all his claims against Defendant. The Representative Enhancement and General Release Award will be paid from the Gross Settlement Fund and Settlement Amount and shall not constitute payment to any other PAGA Group members other than Plaintiff. To the extent that the Court approves less than the amount of Representative Enhancement and General Release Award that Plaintiffs' Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount, and Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

3.3.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of ($34,000.00) to be paid from the Gross Settlement Amount, with sixty-five percent (65%) ($22,100.00) allocated to the LWDA PAGA Payment and thirty-five percent (35%) ($11,900.00) allocated to the Individual PAGA Payments.

3.3.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' thirty-five percent (35%) share of PAGA Penalties ($11,900.00) 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.

3.3.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Each Individual PAGA Payment shall be treated as non-wage income and 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 that, as of March 17, 2026, there are one hundred sixty-five (165) Aggrieved Employees who worked a total 4,083 PAGA Pay Periods for Defendant Axis Automotive Group, LLC.

4.2. Aggrieved Employee Data. Within ten (10) calendar days of the Effective Date, Defendant will simultaneously 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. Within ten (10) calendar days after the Effective Date, the Administrator shall send Defendant's Counsel electronic wiring instructions to fund the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than ninety (90) calendar days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within five (5) business days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the Representative Enhancement Award, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the 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. 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 retuned undelivered without USPS forwarding address. Within seven (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.

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 and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff for himself and for his heirs, executors, administrators, successors, and assigns, hereby releases, acquits, and forever discharges Defendant, and its respective parents, subsidiaries, and related entities, officers, directors, shareholders, persons, employees agents, servants, representatives, members, attorneys (including PAGA Counsel), insurers, re-insurers, assigns, and affiliates, and any and all other entities with whom it has been, are now, or may hereafter be affiliated, as well as its past or present officers, directors, agents, representatives, attorneys, insurers, re-insurers, assigns, or employees (collectively, "Releasees"), from any and all claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, demands, attorneys' fees, losses and expenses, known or unknown, suspected or unsuspected, filed or unfiled, that he may have or have had arising out of any known or unknown fact, condition, or incident occurring prior to the date of this Agreement including, but not limited to, those arising out of or in connection with any claims, demand, charges, or complaints, arising out of or in connection with his employment, the cessation thereof, or any other interaction or relations with Releasees.

Without limiting the generality of the foregoing, Plaintiff also expressly releases all claims or rights against Released Parties arising out of or relating to alleged violations of any contracts, express or implied (including but not limited to any contract of employment); any contract or covenant of good faith and fair dealing (express or implied); any tortious conduct resulting in personal injuries, any claim for harassment or discrimination on the basis of race (including natural hair texture or style), color, national origin, religion, religious creed (including dress and grooming practices), sex, pregnancy, pregnancy-related medical conditions, reproductive health decision-making, age, sexual orientation, ancestry, health or medical condition, gender identity, gender expression, genetic characteristics, veteran status, marital status, physical or mental disability, or other protected classification, retaliation in violation of public policy, wage-and-hour claims, whether known or unknown, including any claim for improper or unauthorized wage deductions, failure to pay the applicable wage, unpaid wages, unpaid vacation benefits, penalties, liquidated damages, other damages, overtime, and alleged "off the clock" work under federal and state law, including California Labor Code Sections 204 and 558, waiting time penalties pursuant to California Labor Section 203, damages or penalties pursuant to California Labor Code Section 226, meal period and rest break payments pursuant to California Labor Code Sections 226.7 and 512, failure to provide itemized wage statements pursuant to California Labor Code Section 226, statutory or civil penalties pursuant to California Labor Code Sections 210, unfair competition and unfair business practices pursuant to Business and Professions Code Section 17200, *et seq.*, interest and costs pursuant to California Civil Code Section 3287 and California Labor Code Section 218.6, statutory or common law rights to attorneys' fees and costs, including those pursuant to California Labor Code Section 1194, *et seq.*; individual claims under the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.*, and the alleged violation or breach of any other state or federal statute, rule and or regulation; including all applicable Industrial Welfare Commission Wage Orders, and all similar causes of action, including but not limited to, any claim for restitution, equitable relief, interest, penalties, costs or attorneys' fees in connection with any of the foregoing, negligent infliction of emotional distress, intentional infliction of emotional distress, and defamation; ; any claims relating to any breach of public policy; any legal restrictions on Defendant's right to discharge employees; and any federal, state, or other governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination or harassment, including retaliation for reporting discrimination or harassment); (2) 42 U.S.C. § 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d) (1) (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. § 12100, *et seq.* (disability discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601, *et seq.* (family/medical leave); (6) California Fair Employment and Housing Act, Cal. Government Code § 12900, *et seq.* (discrimination or harassment in employment and/or housing, including discrimination or harassment based on race, religious creed, color, national origin, ancestry, disability, marital status, sex (including pregnancy), or age, including retaliation for reporting discrimination or harassment); (7) California Family Rights Act, Cal. Government Code § 12945.1, *et seq.* (family/medical leave); (8) California Labor Code, including Section 1720, *et seq.*, or any Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race, color, religion, sex, and national origin discrimination or harassment); (10) Executive Order 11141 (age discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973 (handicap discrimination); (12) the Fair Labor Standards Act; (13) Employee Retirement Income Security Act, 29 U.S.C. § 1000, *et seq.* (employee benefits); (14) Age Discrimination in Employment Act and its amendment; (15) the Older Workers Benefits Protection Act; (16) National Labor Relations Act, as amended; (17) the Labor-Management Relations Act, as amended; (18) the Worker Adjustment and Retraining Notification Act of 1988, as amended; and (19) the Pregnancy Discrimination Act ("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, 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.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all parties, Plaintiff and Plaintiff's Counsel expressly acknowledge this Settlement Agreement is intended to include in its effect, without limitation, all claims that Plaintiff knows of, as well as all claims that they do not know or suspect to, exist in Plaintiff's favor against Defendant, or any of them, for the time period from the beginning of time to the date of the Final Order and Judgment, and that this Settlement Agreement contemplates the extinguishment of any such claims, except as to those claims that cannot be waived or released in this Agreement as a matter of law.

5.2. Release by Aggrieved Employees: In accordance with *Arias v. Superior Court* (2009) 46 Ca1.4th 969, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding," which the Judgment shall so reflect. Therefore, all Aggrieved Employees 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 PAGA Period facts alleged in the Superior Court Action, and the PAGA Notice. The Judgment shall not bind nor release the Aggrieved Employees of any individual wage claims (or other individual claims).

5.3. Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. **JOINT STIPULATION FOR APPROVAL OF SETTLEMENT**. The Parties agree to jointly prepare and file stipulation for approval of this Settlement.

6.1. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the joint stipulation for approval of this Settlement no later than twenty-one (21) calendar days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for an approval hearing and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval to the Administrator.

6.2. 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 application or 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 Simpluris, Inc. to serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc. 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

8.1. Based on its records, Defendant estimates that, as of March 17, 2026, (1) there are a total of one hundred sixty-five (165) Aggrieved Employees who worked 4,083 Pay Periods during the PAGA Period. In the event the actual number of Aggrieved Employee Pay Periods exceeds 4,083 as of March 17, 2026 by more than 10%, (i.e., more than 4,491 Pay Periods), then Defendant shall, at its option, either (1) increase the Gross Settlement Amount by an amount proportional to the increase in Pay Periods worked in excess of

408 Pay Periods; or (2) cap the end date of the PAGA Period as of the date that the total number of Pay Periods is equal to 4,491 or less, so long as the PAGA Period end date is not set before March 17, 2026.

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 Complaints 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). This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or interpret or enforce this Settlement Agreement.

10.2. Non-Disparagement. Plaintiff agrees that he shall not disparage the Released Parties or Defendant's respective owners, members, officers, and employees, to third parties, or otherwise make statements or take actions which would place the Released Parties in a negative light. Similarly, Defendant, on behalf of their principals only, agree that they shall not disparage Plaintiff.

10.3. 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.

10.4. 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.

10.5. 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.

10.6. 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.

10.7. 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.

10.8. 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.

10.9. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.10. Enforcement Actions: This Agreement is binding and enforceable under California Code of Civil Procedure section 664.6. Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any action or proceeding in this case under California Code of Civil Procedure section 664.6 or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs incurred in connection with any enforcement actions.

10.11. 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.

10.12. 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.

10.13. 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.

10.14. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10.15. 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.

10.16. 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.

10.17. Waiver: The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

10.18. 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:
Raffi Tapanian, Esq.

Tapanian Law, APC
611 North Brand Blvd., Suite 1300
Glendale, CA 91203

To Defendant:
Spencer Waldron, Esq.
Kelsey L. Wong Javier, Esq.
Hannah De La Riva, Esq.
Fisher & Phillips LLP
2050 Main Street, Suite 1000
Irvine, CA 92614

10.19. 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.

10.20. Stay of Litigation. Unless otherwise provided, 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: 04/23/2026

By: Oswaldo Gervacio (Apr 23, 2026 14:27:16 PDT)
Oswaldo Gervacio, Plaintiff

Dated: 04/29/2026

By: Adriana Ayala
Adriana Ayala (Apr 29, 2026 15:37:46 PDT)
Axis Automotive Group, LLC
By: Adrian Ayala
Its: Group Controller

Approved as to Form:

Dated: 04/23/2026

TAPANIAN LAW, APC

By: ______________________

Raffi Tapanian, Esq.
Attorney for Plaintiff and Aggrieved Employees

Dated: April 29, 2026

FISHER & PHILLIPS LLP

By: ______________________

Kelsey L. Wong Javier, Esq.
Attorney for Defendant Axis Automotive Group, LLC

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Final Audit Report 2026-04-23

Created:	2026-04-23
By:	Raffi Tapanian (raffi@tapanianlaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhHr-yd0gkXLu420o2nv20b7HkkJaE3ic

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Document created by Raffi Tapanian (raffi@tapanianlaw.com)
2026-04-23 - 8:40:33 PM GMT

Document emailed to Oswaldo Gervacio (ozzie1543@gmail.com) for signature
2026-04-23 - 8:40:37 PM GMT

Email viewed by Oswaldo Gervacio (ozzie1543@gmail.com)
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Document e-signed by Oswaldo Gervacio (ozzie1543@gmail.com)
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