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on behalf of herself and all others similarly situated
and aggrieved

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

SANDRA LETICIA MARTINEZ, an
individual, and on behalf of all others
similarly situated,

Plaintiff,

v.

AUTO INTERNATIONAL INSURANCE
AGENCY, INC., a California Corporation;
and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 30-2022-01297545-CU-OE-
CXC

[Assigned to the Hon. Melissa R.
McCormick in Dept. CX-104]

**CLASS AND PAGA SETTLEMENT
AGREEMENT**

Action Filed: December 16, 2022
Trial Date: None Set

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11 This Class and PAGA Settlement Agreement (“Settlement Agreement” or “Agreement”)
12 is made by and between plaintiff Sandra Leticia Martinez (“Plaintiff”) and defendant Auto
13 International Insurance Agency, Inc. (“Defendant”). The Agreement refers to Plaintiff and
14 Defendant collectively as “Parties,” or individually as “Party.”

15 **1. DEFINITIONS**

16 1.1. “Action” or “Actions” means the Plaintiff’s wage and hour class action, captioned *Sandra*
17 *Leticia Martinez v. Auto International Insurance Agency, Inc.*, Case No. 30-2022-01297545-CU-
18 OE-CXC, initiated on December 16, 2022, and pending in the Superior Court of the State of
19 California, County of Orange (“Class Action”); and separate representative action under PAGA
20 captioned *Sandra Leticia Martinez v. Auto International Insurance Agency, Inc.*, Case No. BCV-
21 23-101067, initiated on April 7, 2023, and pending in the Superior Court of the State of
22 California, County of Kern (“PAGA Action”), to be consolidated by amended complaint in the
23 Class Action.

24 1.2. “Administrator” means Phoenix Class Action Administration Solutions (“Phoenix”), the
25 neutral entity the Parties have agreed to appoint to administer the Settlement.

26 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
27 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
28 with the Administrator’s “not to exceed” bid submitted to the Court in connection with

Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” means all current and former non-exempt employees of Defendant within the State of California at any time during the PAGA Period.

1.5. “Class” means all current and former non-exempt employees of Defendant within the State of California at any time during the Class Period.

1.6. “Class Counsel” means David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group, P.C.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8. “Class Data” means Class Member identifying information in Defendant’s custody, possession, or control, including the Class Member’s (1) name; (2) last known address(es); (3) last known telephone number(s); (4) last known Social Security Number(s); and (5) the dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)).

1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND DATE FOR FINAL APPROVAL HEARING, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from December 16, 2018 through June 27, 2024.

1.13. “Class Representative” means the named plaintiff in the operative complaint in the Action, Sandra Leticia Martinez, seeking Court approval to serve as a Class Representative.

1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of Orange.

1.16. “Defendant” means named defendant Auto International Insurance Agency, Inc.

1.17. “Defense Counsel” means Susan A. Rodriguez of Law Offices of Susan A. Rodriguez, APC.

1.18. “Effective Date” means the later of: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21. “Final Judgment” means the Judgment entered by the Court based upon the Final Approval.

1.22. “Gross Settlement Amount” means \$880,000.00 (Eight Hundred Eighty Thousand Dollars and Zero Cents) which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8.1 below and any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.

1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.

1.25. “Judgment” means the judgment entered by the Court based upon Final Approval.

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

1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28. “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, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

1.31. “PAGA Period” means the period from December 16, 2021 through June 27, 2024.

1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.33. “PAGA Notice” means plaintiff Sandra Leticia Martinez’s December 16, 2022 letter to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a).

1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$11,000.00) and the 75% to the LWDA (\$33,000.00) in settlement of PAGA claims.

1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.36. “Plaintiff” means Sandra Leticia Martinez, the named plaintiff in the Action.

1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.38. “Preliminary Approval Order” means the proposed Order granting Preliminary Approval and Approval of PAGA Settlement.

1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.

1.41. “Released Parties” means: Defendant, and each of their former, present and future owners, parents, and subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.

1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 days beyond the Response Deadline has expired.

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

1.45. “Workweek” means any week during which a Class Member worked for Defendants, for at least one day during the Class Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

2. RECITALS

2.1. On December 16, 2022, Plaintiff commenced this Action by filing a complaint alleging causes of action against Defendant for: (1) failure to pay overtime wages; (2) failure to pay

1 minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure
2 to provide rest periods or compensation in lieu thereof; (5) waiting time penalties due to failure
3 to pay all wages due upon separation from employment; (6) failure to provide accurate wage
4 statements; (7) failure to indemnify for necessary business expenses; and (8) engaging in unfair
5 competition (“Class Action”)

6 2.2. On December 16, 2022, and served on Defendants a notice under Labor Code section
7 2699.3 stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties on
8 behalf of Aggrieved Employees for various Labor Code violations (“PAGA Notice”).

9 2.3. On April 7, 2023, after sixty-five (65) days had passed without any communication or
10 action by the LWDA with respect to the Labor Code violations alleged in the PAGA Notice,
11 Plaintiff filed a separate representative action under PAGA against Defendant in the Superior
12 Court of California, County of Kern, Case No. BCV-23-101067, for the Labor Code violations
13 set out in the PAGA Notice (“PAGA Action”).

14 2.4. Thereafter, the Parties agreed to exchange informal discovery and attend mediation.

15 2.5. Prior to mediation and during the discussions thereafter, Plaintiff obtained, through
16 informal discovery: (1) time records, payroll records and contact information for 100% of the
17 estimated 299 putative class members during the Class Period; (2) data points, including the
18 number of putative class members and Workweeks during the Class Period, the number of
19 separated employees during the relevant statutory period, the average regular hourly rate of pay,
20 and the number of Aggrieved Employees and Pay Periods during the PAGA Period; (3)
21 Defendant’s wage and hour policy documents; and (4) all documents pertaining to Plaintiff
22 available to Defendant.

23 2.6. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in
24 *Dunk v. Ford Motor Company* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker*
25 *Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“Dunk/Kullar”).

26 2.7. On June 27, 2024, the Parties participated in an all-day mediation presided over by Eve
27 H. Wagner, Esquire. The mediation was unsuccessful, but, due to continued negotiation and
28 involvement with Ms. Wagner, the Parties eventually came to an agreement to resolve all class

1 and PAGA claims in the Action. As part of this Agreement, the Parties agree to stipulate to
2 Plaintiff's filing of a First Amended Complaint in the Class Action, adding all allegations brought
3 in the PAGA Action, and request dismissal without prejudice of the PAGA Action, thereby
4 effectively consolidating the two actions for purposes of Settlement (hereinafter, the "Action").
5 The First Amended Complaint is the operative complaint in the Action ("Operative Complaint").
6 In addition, the Parties agree the Plaintiff will add Eric Pena as an individual defendant to the
7 Action. The parties further agree that dismissal of the PAGA action is a material condition of
8 Defendant's obligations pursuant to this Settlement Agreement, and that specifically, Defendant
9 has no obligation to pay any amount provided in this Agreement if the PAGA action has not been
10 dismissed.

11 2.8. The Court has not granted class certification.

12 2.9. On January 7, 2025 a class action lawsuit styled *Alexander Francisco Hernandez Garcia*
13 *v. Auto International Insurance Agency, Inc., et al.*, Los Angeles Superior Court Case No.
14 24STCV31337 (the "Garcia Action") was filed and subsequently served. The Parties, Class
15 Counsel, and Defense Counsel represent that, other than the Garcia Action, they are not aware of
16 any other pending matter or action asserting claims that will be extinguished or affected by the
17 Settlement.

18 3. MONETARY TERMS

19 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8.1 below,
20 Defendant promises to pay \$880,000.00 as the Gross Settlement Amount, unless increased
21 pursuant to Paragraph 8.1 of this Agreement, and to separately pay any and all employer payroll
22 taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation
23 to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in
24 Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement
25 Amount without asking or requiring Participating Class Members or Aggrieved Employees to
26 submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to
27 Defendants.

28 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct

the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to Plaintiff of not more than \$7,500.00 in addition to any Individual Class Payment and any Individual PAGA Payment Plaintiff is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 8.1 of this Agreement, is currently estimated to be \$308,000.00 and a Class Counsel Litigation Expenses Payment of not more than \$30,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will endeavor to file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class 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 Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assume full responsibility

1 and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel
2 Litigation Expenses Payment and hold Defendant harmless, and indemnify Defendant,
3 from any dispute or controversy regarding any division or sharing of any of these
4 Payments. There will be no additional charge of any kind to either the Settlement Class
5 Members or request for additional consideration from Defendant for such work unless,
6 Defendant materially breaches this Agreement, including any term regarding funding,
7 and further efforts are necessary from Class Counsel to remedy said breach, including,
8 without limitation, moving the Court to enforce the Agreement. Should the Court
9 approve attorneys' fees and/or litigation costs and expenses in amounts that are less than
10 the amounts provided for herein, then the unapproved portion(s) shall be a part of the
11 Net Settlement Amount.

12 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
13 \$8,500.00 except for a showing of good cause and as approved by the Court. To the
14 extent the Administration Expenses are less or the Court approves payment less than
15 \$8,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

16 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by
17 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by
18 all Participating Class Members during the Class Period and (b) multiplying the result
19 by each Participating Class Member's Workweeks.

20 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating
21 Class Member's Individual Class Payment will be allocated to settlement of
22 wage claims (the "Wage Portion"). The Wage Portions are subject to tax
23 withholding and will be reported on an IRS W-2 Form. The 80% of each
24 Participating Class Member's Individual Class Payment will be allocated to
25 settlement of claims for interest and penalties (the "Non-Wage Portion"). The
26 Non-Wage Portions are not subject to wage withholdings and will be reported
27 on IRS 1099 Forms. Participating Class Members assume full responsibility and
28 liability for any employee taxes owed on their Individual Class Payment.

1 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual
2 Class Payments. Non-Participating Class Members will not receive any
3 Individual Class Payments. The Administrator will retain amounts equal to their
4 Individual Class Payments in the Net Settlement Amount for distribution to
5 Participating Class Members on a pro rata basis.

6 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
7 \$44,000.00 to be paid from the Gross Settlement Amount, with 75% (\$33,000.00)
8 allocated to the LWDA PAGA Payment and 25% (\$11,000.00) allocated to the
9 Individual PAGA Payments.

10 3.2.5.1. The Administrator will calculate each Individual PAGA
11 Payment by (a) dividing the amount of the Aggrieved Employees' 25% share
12 of PAGA Penalties (\$11,000.00) by the total number of PAGA Pay Periods
13 worked by all Aggrieved Employees and (b) multiplying the result by each
14 Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full
15 responsibility and liability for any taxes owed on their Individual PAGA
16 Payments.

17 3.2.5.2. If the Court approves PAGA Penalties of less than the
18 amount requested, the Administrator will allocate the remainder to the Net
19 Settlement Amount. The Administrator will report the Individual PAGA
20 Payments on IRS 1099 Forms.

21 **4. SETTLEMENT FUNDING AND PAYMENTS**

22 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records
23 to date, Defendant estimates there are 299 Class Members who collectively worked a total of
24 20,000 Workweeks, and 245 Aggrieved Employees who worked a total of 6,491 PAGA Pay
25 Periods.

26 4.2. Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of
27 the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the
28 form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the

1 Administrator must maintain the Class Data in confidence, use the Class Data only for purposes
2 of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator
3 employees who need access to the Class Data to effect and perform under this Agreement.
4 Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class
5 Data omitted class member identifying information and to provide corrected or updated Class
6 Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant
7 must send the Class Data to the Administrator, the Parties and their counsel will expeditiously
8 use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or
9 omitted Class Data.

10 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
11 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
12 transmitting the funds to the Administrator no later than 62 days after the Effective Date, or on
13 June 28, 2026, whichever is later.

14 4.4. Payments from the Gross Settlement Amount. Within seven (7) days after Defendant
15 funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class
16 Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
17 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
18 Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel
19 Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative
20 Service Payment shall not precede disbursement of Individual Class Payments, and the Individual
21 PAGA Payments.

22 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
23 Individual PAGA Payments and send them to the Class Members via First Class U.S.
24 Mail, postage prepaid. The face of each check shall prominently state the date (not less
25 than 180 days after the date of mailing) when the check will be voided. The
26 Administrator will cancel all checks not cashed by the void date. The Administrator will
27 send checks for Individual Settlement Payments to all Participating Class Members
28 (including those for whom Class Notice was returned undelivered). The Administrator

will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. 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 a Class Member Address Search for all other Class Members whose checks are returned 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or 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 Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASE OF CLAIMS

Effective upon entry of Judgment, the Order granting Final Approval of this Settlement, and on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff,

1 Class Members, and Class Counsel will release claims against all Released Parties as follows:

2 5.1. Plaintiff's Release. Plaintiff and her former and present spouses, representatives, agents,
3 attorneys, heirs, administrators, successors and assigns generally release and discharge Released
4 Parties from all claims, transactions or occurrences, including, but not limited to: (a) all claims
5 that were, or reasonably could have been, alleged based on the facts contained in the Operative
6 Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on
7 facts contained in the Operative Complaint and Plaintiff's PAGA Notice. ("Plaintiff's Release.")
8 Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any
9 claims for vested benefits, unemployment benefits, disability benefits, social security benefits,
10 workers' compensation benefits that arose at any time, or based on occurrences outside the Class
11 Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in
12 addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless,
13 that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such
14 different or additional facts or Plaintiff's discovery of them.

15 5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
16 purposes of Plaintiff's Release only, Plaintiff expressly waives and relinquishes the
17 provisions, rights and benefits, if any, of section 1542 of the California Civil Code,
18 which reads:

19 A general release does not extend to claims that the creditor or releasing party does not
20 know or suspect to exist in his or her favor at the time of executing the release, and that
21 if known by him or her would have materially affected his or her settlement with the
22 debtor or Released Party.

23 5.2. Release by Participating Class Members: For the duration of the Class Period, all
24 Participating Class Members, on behalf of themselves and their respective former and present
25 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released
26 Parties from all claims that were alleged, or reasonably could have been alleged, based on the
27 facts stated in the Operative Complaint including: (1) all claims for failure to pay overtime wages;
28 (2) all claims for failure to pay minimum wages; (3) all claims for failure to provide meal periods,

1 or compensation in lieu thereof; (4) all claims for failure to provide compliant rest periods, or
2 compensation in lieu thereof (5) all claims for waiting time penalties due to failure to pay wages
3 due upon separation of employment; (6) all claims for non-compliant wage statements; (7) failure
4 to indemnify for necessary business expenses; and (8) all claims asserted through California
5 Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations
6 referenced in the Operative Complaint.

7 5.3. Except as set forth in Section 5.2 of this Agreement, Participating Class Members do not
8 release any other claims, including claims for vested benefits, wrongful termination, violation of
9 the Fair Employment and Housing Act, unemployment insurance, disability, social security,
10 workers' compensation, or claims based on facts occurring outside the Class Period.

11 5.4. Release by Aggrieved Employees: For the duration of the PAGA Period, all Aggrieved
12 Employees are deemed to release, on behalf of themselves and their respective former and present
13 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released
14 Parties from all claims for PAGA penalties that were alleged, or reasonably could have been
15 alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

16 **6. MOTION FOR PRELIMINARY APPROVAL**

17 The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion
18 for Preliminary Approval") that complies with the Court's current checklist for Preliminary
19 Approvals.

20 6.1. Defendant's Declaration in Support of Preliminary Approval. Within seven (7) days of
21 full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed
22 declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or
23 potential conflicts of interest with the Administrator.

24 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
25 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and
26 memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the
27 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor
28 Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and

1 Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from
2 the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting
3 to its willingness to serve; competency; operative procedures for protecting the security of Class
4 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
5 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
6 and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense
7 Counsel; (v) a signed declaration from Plaintiff confirming her willingness and competency to
8 serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class
9 Members; (vi) a signed declaration from Class Counsel firm attesting to its competency to
10 represent the Class Members; its timely transmission to the LWDA of all necessary PAGA
11 documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
12 Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699,
13 subd. (1)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class
14 Members and the Administrator.

15 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
16 for expeditiously finalizing and filing the Motion for Preliminary Approval after the full
17 execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary
18 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary
19 Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the
20 Administrator.

21 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
22 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
23 Defense Counsel will expeditiously work together on behalf of the Parties by meeting and
24 conferring, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
25 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
26 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by
27 meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the
28 Court’s concerns.

1 **7. SETTLEMENT ADMINISTRATION**

2 7.1. Selection of Administrator. The Parties have jointly selected Phoenix to serve as the
3 Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by
4 this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange
5 for payment of Administration Expenses. The Parties and their Counsel represent that they have
6 no interest or relationship, financial or otherwise, with the Administrator other than a professional
7 relationship arising out of prior experiences in administering settlements.

8 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
9 Identification Number for purposes of calculating payroll tax withholdings and providing reports
10 state and federal tax authorities.

11 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
12 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section
13 468B-1.

14 7.4. Notice to Class Members

15 7.4.1. No later than three (3) business days after receipt of the Class Data, the
16 Administrator shall notify Class Counsel that the list has been received and state the
17 number of Class Members, Aggrieved Employees, Workweeks and Pay Periods in the
18 Class Data.

19 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14
20 days after receiving the Class Data, the Administrator will send to all Class Members
21 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail,
22 the Class Notice with Spanish translation, substantially in the form attached to this
23 Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the
24 dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable
25 to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable)
26 used to calculate these amounts. Before mailing Class Notices, the Administrator shall
27 update Class Member addresses using the National Change of Address database.

28 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice

1 returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
2 using any forwarding address provided by the USPS. If the USPS does not provide a
3 forwarding address, the Administrator shall conduct a Class Member Address Search,
4 and re-mail the Class Notice to the most current address obtained. The Administrator
5 has no obligation to make further attempts to locate or send Class Notice to Class
6 Members whose Class Notice is returned by the USPS a second time.

7 7.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks
8 and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days
9 beyond the 45 days otherwise provided in the Class Notice for all Class Members whose
10 notice is re-mailed. The Administrator will inform the Class Member of the extended
11 deadline with the re-mailed Class Notice.

12 7.4.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
13 discovers any persons who believe they should have been included in the Class Data
14 and should have received Class Notice, the Parties will expeditiously meet and confer
15 in good faith in an effort to agree on whether to include them as Class Members. If the
16 Parties agree, such persons will be Class Members entitled to the same rights as other
17 Class Members, and the Administrator will send, via email or overnight delivery, a Class
18 Notice requiring them to exercise options under this Agreement not later than 15 days
19 after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are
20 later.

21 7.5. Requests for Exclusion (Opt-Outs).

22 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
23 must send the Administrator, by mail, a signed written Request for Exclusion not later
24 than 45 days after the Administrator mails the Class Notice (plus an additional 15 days
25 for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter
26 from a Class Member or his/her representative that reasonably communicates the Class
27 Member's election to be excluded from the Settlement and includes the Class Member's
28 name, address and email address or telephone number. To be valid, a Request for

Exclusion must be timely postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for Individual PAGA Payments.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via mail. The Administrator must encourage

the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8. 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.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment,

1 Class Counsel Litigation Expenses Payment and Class Representative Service Payment,
2 the Final Approval and the Judgment. The Administrator will also maintain and monitor
3 an email address and a toll-free telephone number to receive Class Member calls and
4 emails.

5 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
6 promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
7 Not later than 5 days after the expiration of the deadline for submitting Requests for
8 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
9 containing (a) the names and other identifying information of Class Members who have
10 timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and
11 other identifying information of Class Members who have submitted invalid Requests
12 for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted
13 (whether valid or invalid).

14 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
15 reports to Class Counsel and Defense Counsel that, among other things, tally the number
16 of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
17 Exclusion (whether valid or invalid) received, objections received, challenges to
18 Workweeks and/or Pay Periods received and/or resolved, and checks mailed for
19 Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The
20 Weekly Reports must include or provide the Administrator’s assessment of the validity
21 of Requests for Exclusion and attach copies of all Requests for Exclusion and objections
22 received.

23 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
24 address and make final decisions consistent with the terms of this Agreement on all
25 Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
26 Administrator’s decision shall be final and not appealable or otherwise susceptible to
27 challenge.

28 7.8.5. Administrator’s Declaration. Before the date by which Plaintiff is required to file

the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least seven (7) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 299 Class Members and 20,000 total Workweeks during the Class Period and (2) there are 245 Aggrieved Employees who worked 6,491 Pay Periods during the PAGA Period.

8.1. Increase in Workweeks. Defendant represents that there are no more than 20,000 Workweeks worked by Class Members during the Class Period. In the event the number of Workweeks worked by Class Members during the Class Period increases by more than 10%, or 2,000 Workweeks, then the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 20,000 Workweeks multiplied by the Workweek Value. The Workweek

Value shall be calculated by dividing the originally agreed-upon Gross Settlement Amount (\$880,000.00) by 20,000. The Parties agree that the Workweek Value and the settlement amount to \$44.00 per Workweek (\$880,000.00 / 20,000 Workweeks). Thus, for example, should there be 22,100 Workweeks worked by Class Members during the Class Period, then the Gross Settlement Amount shall be increased by \$92,400.00 ([22,100 Workweeks – 20,000 Workweeks] x \$44.00 per Workweek.)

9. DEFENDANT’S RIGHT TO WITHDRAW

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of all Class Members, Defendant may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel. Late elections will have no effect.

10. MOTION FOR FINAL APPROVAL

Prior to the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall endeavor to provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

1 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
2 Approval on any material change to the Settlement (including, but not limited to, the scope of
3 release to be granted by Class Members), the Parties will expeditiously work together in good
4 faith to address the Court's concerns by revising the Agreement as necessary to obtain Final
5 Approval. The Court's decision to award less than the amounts requested for the Class
6 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
7 Expenses Payment, and Administrator Expenses Payment shall not constitute a material
8 modification to the Agreement within the meaning of this paragraph.

9 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
10 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
11 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
12 and (iii) addressing such post-Judgment matters as are permitted by law.

13 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
14 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
15 Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their
16 respective counsel, and all Participating Class Members who did not object to the Settlement as
17 provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
18 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions
19 for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver
20 of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the
21 Parties' obligations to perform under this Agreement will be suspended until such time as the
22 appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect
23 the amount of the Net Settlement Amount.

24 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
25 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
26 modification of this Agreement (including, but not limited to, the scope of release to be granted
27 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
28 expeditiously work together in good faith to address the appellate court's concerns and to obtain

Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged

11. AMENDED JUDGMENT

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS

12.1. No Admission of Liability, Class Certification 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have 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 class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and 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).

12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government

1 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
2 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
3 extent necessary to report income to appropriate taxing authorities; (4) in response to a court
4 order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
5 government agency. Each Party agrees to immediately notify each other Party of any judicial or
6 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant
7 and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or
8 other communication, before the filing of the Motion for Preliminary Approval, any with third
9 party regarding this Agreement or the matters giving rise to this Agreement except to respond
10 only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class
11 Counsel's communications with Class Members in accordance with Class Counsel's ethical
12 obligations owed to Class Members.

13 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and
14 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
15 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's
16 ability to communicate with Class Members in accordance with Class Counsel's ethical
17 obligations owed to Class Members.

18 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
19 together with its attached exhibits shall constitute the entire agreement between the Parties
20 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
21 inducements made to or by any Party.

22 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
23 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
24 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
25 its terms, and to execute any other documents reasonably required to effectuate the terms of this
26 Agreement including any amendments to this Agreement.

27 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
28 best efforts, in good faith, to implement the Settlement by, among other things, modifying the

1 Settlement Agreement, submitting supplemental evidence and supplementing points and
2 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
3 or content of any document necessary to implement the Settlement, or on any modification of the
4 Agreement that may become necessary to implement the Settlement, the Parties will seek the
5 assistance of a mediator and/or the Court for resolution.

6 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not
7 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
8 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
9 action, or right released and discharged by the Party in this Settlement.

10 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
11 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
12 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
13 Part 10, as amended) or otherwise.

14 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
15 modified, changed, or waived only by an express written instrument signed by all Parties or their
16 representatives, and approved by the Court.

17 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to
18 the benefit of, the successors of each of the Parties.

19 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
20 governed by and interpreted according to the internal laws of the State of California, without
21 regard to conflict of law principles.

22 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
23 this Agreement. This Agreement will not be construed against any Party on the basis that the
24 Party was the drafter or participated in the drafting.

25 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
26 during Action and in this Agreement relating to the confidentiality of information shall survive
27 the execution of this Agreement

28 12.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code

1 §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant
2 in connection with the mediation, other settlement negotiations, or in connection with the
3 Settlement, may be used only with respect to this Settlement, and no other purpose, and may not
4 be used in any way that violates any existing contractual agreement, statute, or rule of court.

5 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
6 inserted for convenience of reference only and does not constitute a part of this Agreement.

7 12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall
8 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
9 weekend or federal legal holiday, such date or deadline shall be on the first business day
10 thereafter.

11 12.17. Execution in Counterparts. This Agreement may be executed in one or more counterparts
12 by facsimile, electronically (i.e., DocuSign, AdobeSign, or similar), or email which for purposes
13 of this Agreement shall be accepted as an original. All executed counterparts and each of them
14 will be deemed to be one and the same instrument if counsel for the Parties will exchange between
15 themselves signed counterparts. Any executed counterpart will be admissible in evidence to
16 prove the existence and contents of this Agreement.

17 12.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the
18 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
19 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend
20 the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement
21 process.

22 12.19. Severability. In the event that one or more of the provisions contained in this Agreement
23 shall, for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity,
24 illegality, or unenforceability shall in no way effect any other provision if Defendant’s Counsel
25 and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing
26 to proceed as if such invalid, illegal, or unenforceable provision had never been included in this
27 Agreement.

IT IS SO AGREED:

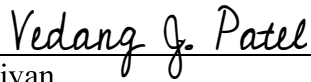


Sandra Martinez (Jun 5, 2025 16:54 PDT)

Plaintiff, Sandra Leticia Martinez

For Defendant, Auto International Insurance
Agency, Inc.

AGREED AS TO FORM ONLY:



David D. Bibiyan
Vedang J. Patel
Counsel for Plaintiff, Sandra Leticia
Martinez

Susan A. Rodriguez
Counsel for Defendant, Auto International
Insurance Agency, Inc.

1 Agreement.

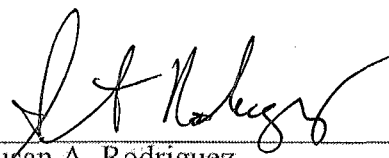
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3 **IT IS SO AGREED:**

4
5
6 Plaintiff, Sandra Leticia Martinez


Eric Peter Desha
For Defendant, Auto International Insurance
Agency, Inc.

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8 **AGREED AS TO FORM ONLY:**

9
10
11 David D. Bibiyan
12 Vedang J. Patel
13 Brooke Waldrop
14 Counsel for Plaintiff, Sandra Leticia
15 Martinez


Susan A. Rodriguez
Counsel for Defendant, Auto International
Insurance Agency, Inc.