

INDIVIDUAL AND PAGA SETTLEMENT AGREEMENT

This Individual and PAGA Settlement Agreement (“Agreement”) is made by and between: **(1)** Plaintiff William Joel Hafner (“Plaintiff”), individually and in his representative capacity on behalf of the State of California; and **(2)** Defendants Castaneda Brake Masters, Inc. dba Brake Masters (“Brake Masters”), Adan Castaneda, Angel Castaneda (“Defendants”). This Agreement refers to Plaintiff and Defendants collectively as the “Parties,” or individually as “Party.”

1. DEFINITIONS

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Hafner v. Castaneda Brake Masters, Inc.*, case number CVRI2304234, initiated on August 16, 2023, and pending in the Superior Court of the State of California for the County of Riverside.
- 1.2. “Administrator” means APEX, 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 Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period (including a non-participating employee who will still nevertheless qualify as an Aggrieved Employee).
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant Brake Masters’ possession, including the employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.7. “Court” means the Superior Court of the State of California for the County of Riverside.
- 1.8. “Defendants” means the named Defendants in the Action, Castaneda Brake Masters, Inc. dba Brake Masters (“Brake Masters”), Adan Castaneda, Angel Castaneda.
- 1.9. “Defense Counsel” means the attorneys representing Defendant, Skye Resendes of The Watkins Firm, APC.

- 1.10. “Effective Date” means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement, and (b) the Judgment is final. The Judgment is final as of the day the Court enters the Judgment.
- 1.11. “Gross Settlement Amount” means \$82,500.00, which is the total amount Defendant Brake Masters agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.12. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13. “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 75% 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, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.17. “PAGA Counsel” means Omri Ben-Ari, Esq. of Diefer Law Group PC, the attorneys representing the Plaintiff and the Aggrieved Employees 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 Defendants for at least one day during the PAGA Period.
- 1.20. “PAGA Period” means the period from August 15, 2022 to the Effective Date.
- 1.21. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.22. “PAGA Notice” means Plaintiff’s letter to Defendants 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, or Five Thousand Dollars and No Cents (\$5,000.00), allocated 25% to the Aggrieved Employees (\$1,250.00) and the 75% to LWDA (\$3,750.00) in settlement of PAGA claims.
- 1.24. “Plaintiff” means William Joel Hafner, the named plaintiff in the Action.
- 1.25. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.26. “Released Parties” means: Defendants and each of their former and present directors, heirs, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates.
- 1.27. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS

- 2.1. On August 16, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(10)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6). The Complaint means any operative complaint in the Action (the “Operative Complaint”). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

- 2.3. On July 11, 2024, the Parties participated in an all-day mediation presided over by experienced employment law neutral, attorney Leonid Zilberman, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risk, such as Plaintiff's personnel files, payroll and time records, witness statements, and all time and pay records for the Aggrieved Employees. It was discovered that during the PAGA period, there were only two employees/drivers entitled to mileage reimbursements, that Defendants provided written records showing compliant meal periods, and that Defendants provided evidence that the policies and procedures at issue were compliant. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129–130 (“*Dunk/Kullar*”).
- 2.5. 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, except the unfiled claims asserted by Harvey Huerta Cruz, whom PAGA Counsel also represents. PAGA Counsel agreed to enter into a contemporaneous, individual, and separate agreement with Harvey Huerta Cruz.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant Brake Masters promises to pay **\$82,500.00** 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 Defendants.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1. To Plaintiff: Plaintiff will not seek any PAGA Representative Service Payment. Plaintiff is entitled to any Individual PAGA Payment as a Participating Aggrieved Employee.
 - 3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment in a reasonable amount, as approved by the Court, and reasonable PAGA Counsel Litigation Expenses. Defendants will not oppose requests for Court approval of these payments. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than

the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of 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 Defendants harmless, and indemnifies Defendants from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$1,000.00 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 \$1,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Five Thousand Dollars and No Cents (\$5,000.00) to be paid from the Gross Settlement Amount, with 75% (\$3,750.00) allocated to the LWDA PAGA Payment and 25% (\$1,250.00) allocated to the Individual PAGA Payments.
- 3.2.5. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$1,250.00) 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.
- 3.2.6. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. If the Court approves PAGA Penalties of more than the amount requested by Plaintiff and the PAGA Counsel, it shall come from the Gross Settlement Amount and not from Defendants.
- 3.3. Payments from the Gross Settlement Amount for William Joel Hafner's Individual Claims
 - 3.3.1. In consideration for signing this Settlement Agreement and complying with its terms, Defendants will pay William Joel Hafner the total gross sum of Seventy Seven Thousand Five Hundred Dollars and No Cents (\$77,500.00) (the "Settlement Sum") for his individual claims paid as follows: within thirty (30) calendar days after the Court approves this Settlement

Agreement, providing that William Joel Hafner has also signed and returned this signed Settlement Agreement to Defendants' Counsel, a check shall be sent to Plaintiff's Counsel's office, payable in the amount of \$77,500.00 to DiEFER Law Group. Released Parties have no liability as to any splitting of the Settlement Sum between DiEFER Law Group and Plaintiff. The Settlement Sum may be reported as paid to Plaintiff and separately to Plaintiff's Counsel on a 1099 basis by any of the Defendants, including Defendants' option to file related tax forms in the total Settlement Sum for Plaintiff's Counsel and Plaintiff. Payment of the Settlement Sum is conditional on Plaintiff's Counsel and Plaintiff providing completed and signed W9 tax reporting documents to Defendants' Counsel, and no sum shall be paid without receipt of both completed forms.

4. SETTLEMENT FUNDING AND PAYMENTS

- 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Brake Masters estimates that two Aggravated Employees (including the Plaintiff) worked a total of 52 PAGA Pay Periods.
- 4.2. Aggrieved Employee Data. Within 15 business days, Brake Masters will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form in which it is stored as a business record. To protect the Aggrieved Employee's 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. Brake Masters 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 Brake Masters 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. Brake Masters shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than fourteen [14] calendar days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen [14] calendar days after Brake Masters funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, 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.

- 4.5. 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.
- 4.6. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven [7] calendar 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.
- 4.7. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled 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.
- 4.8. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions, payroll taxes or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS

Effective on the date when Defendant Brake Masters 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 and his or her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally release and discharge Released Parties from all claims, transactions, or occurrences he has or may have against Defendants and the Released Parties, including, but not limited to: (a) all claims that were, or could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"), (b) all alleged wages, costs, commissions, bonuses, personal injuries, monetary payments of any kind, interest, penalties, third party debts such as medical liens, attorney's fees and out of pocket expenses. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement or to any claims for unemployment benefits or 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. Plaintiff covenants not to sue the Released Parties in perpetuity for any claims covered under Plaintiff's Release.

- 5.2. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads: A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.
- 5.3. Release by Aggrieved Employees: 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 stated in the Operative Complaint and the PAGA Notice, including, e.g., claims for PAGA penalties based on: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(10)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and **(11)** any claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint or the PAGA Notice.
- 5.4. Release by PAGA Counsel: PAGA Counsel releases on behalf of their present and former attorneys, employees, agents, successors, and assigns the Released Parties from all claims for PAGA Fees or attorney's fees and costs of any kind incurred in connection with the Operative Complaint and the facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION FOR APPROVAL

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

- 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty [30] calendar days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court through remote or in person means to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

- 7.1. Selection of Administrator. The Parties have jointly selected APEX to serve as the Administrator and verified that, as a condition of appointment, the Administrator 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 to state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a 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

Based on its records, Defendant Brake Masters estimates that, as of the date of this Settlement Agreement, there are two Aggrieved Employees and 52 Pay Periods during the PAGA Period.

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.

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 based on this paragraph of the Settlement. 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. The non-appealing Party shall be entitled to receive their attorney's fees and costs for opposing any appeal taken contrary to this provision of the Settlement Agreement.

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 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 Defendants' 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 or does not enter Judgment, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement. Any liens incurred by Plaintiff are the responsibility of Plaintiff alone, and not Defendants or Defense counsel.
- 10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12. Use and Return of Aggrieved Employee Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Aggrieved Employee Data provided to PAGA Counsel by Defendants 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 date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff and PAGA Counsel shall destroy, all paper and electronic versions of the Aggrieved Employee Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.13. 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.
- 10.14. 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.
- 10.15. 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:

Omri A. Ben-Ari
DIEFER LAW GROUP, P.C.
Obenari@dieferlaw.com
34204 Pacific Coast Highway,
Dana Point, CA 92629

To Defendants:

The Watkins Firm, APC
Skye Resendes
sresendes@watkinsfirm.com
9915 Mira Mesa Blvd, Suite 130
San Diego, CA 92131

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

APPROVAL AND EXECUTION BY PARTIES

PAGA REPRESENTATIVE:

Dated: 08/21/2024

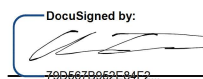


William Joel Hafner
Plaintiff and Class Representative

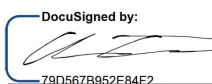
DEFENDANT:

Dated: 8/21/2024

Castaneda Brake Masters, Inc.

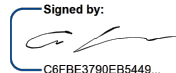
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79D567B862E84F2...

By: Adan Castaneda
Title: CEO

DocuSigned by:

79D567B862E84F2

Adan Castaneda, an individual

Signed by:



C6FBE3790EB5449...

Angel Castaneda, an individual

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: 8/21/2024

Diefer Law Group



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Attorney for Plaintiff

DEFENSE COUNSEL:

Dated: 8/22/2024

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