

PRIVATE ATTORNEY GENERAL ACT (LABOR CODE SECTION 2698 ET SEQ.)
SETTLEMENT AGREEMENT AND LIMITED RELEASE

Norma Reyes v. Simpson Garden Grove, Inc.. et al.
(Orange County Superior Court, Case Number 30-2020-01175614-CU-OE-CJC)

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the settlement of this action shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Private Attorney General Act (Labor Code section 2698 *et seq.*) (“PAGA”) Settlement Agreement and Limited Release (“Agreement”).

This Agreement is made by and between Plaintiff Norma Reyes (“Plaintiff”), for herself and in her capacity as a representative of the State of California on behalf of other aggrieved employees, and Defendant Simpson Garden Grove, Inc. (“Defendant”). This Agreement shall be effective upon the last date upon which it is signed by the Parties.

The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and concluded by this Agreement, which is intended to effect and complete settlement of this matter.

Article I.

Definitions.

Section 1.01 Definitions.

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- i. “Action” shall mean the civil action entitled *Norma Reyes v. Simpson Garden Grove, Inc. et al.*, filed in the Superior Court for the County of Orange on or about December 22, 2020, designated as Case No. 30-2020-01175614-CU-OE-CJC.
- ii. “Agreement,” or “Settlement Agreement,” means this Private Attorney General Act (Labor Code section 2698 *et seq.*) Settlement Agreement and Limited Release.
- iii. “Aggrieved Employees” means all individuals who are or previously were employed by Defendant Simpson Garden Grove, Inc. as an hourly, piece-rate, and/or commissioned employee in California during the period of April 6, 2019 to December 18, 2020.
- iv. “Complaint” means Plaintiff’s Complaint filed in Orange County Superior Court on December 22, 2020, which is the operative Complaint.
- v. “Court” means the Superior Court for the State of California, County of Orange.
- vi. “Defendant” means Simpson Garden Grove, Inc. and Simpson Automotive, Inc.

vii. “Defense Counsel” or “Counsel for Defendant” is:

Ron Hodges
Goe Forsyth & Hodges, LLP
18101 Von Karman Avenue
Suite 1200
Irvine, CA 92612

- viii. “Effective Date” refers to the date on which the settlement is approved and the Court’s order approving the settlement (“Judgment”) becomes final. For purposes of this agreement, the Court’s Judgment “becomes final” upon the latter of: (i) if no objection is filed, the date upon which the Court signs the order approving the settlement. (ii) if an objection is filed, but no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court’s Judgment (this time period shall not be less than 60 calendar days after the Court’s Judgment is entered); (iii) if an objection is filed and an appeal is filed, the date affirmance of an appeal of the Judgment becomes final; or (iii) if an objection is filed and an appeal is filed, the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.
- ix. “Fee Amount” is the amount in fees Plaintiff’s Counsel is free to request that the Court award them up to one-third (1/3) of the PAGA Settlement Amount as compensation for their attorneys’ fees.
- x. “Cost Amount” is the total amount of litigation costs incurred by Plaintiff’s counsel in connection with the Action, including filing fees, mediation expenses and fees, travel and hotel costs, etc., up to a maximum of \$10,000 which shall be paid from the PAGA settlement amount as reimbursement of litigation costs.
- xi. “Individual PAGA Payment” is the amount in Labor Code Section 2699 penalties to be paid to Aggrieved Employees, which will be 25% of the Net PAGA Payment, unless the Court determines otherwise.
- xii. “LWDA” refers to the California Labor & Workforce Development Agency.
- xiii. “LWDA Payment” is the amount in Labor Code Section 2699 penalties to be paid to the LWDA, which will be 75% of the Net PAGA Payment, unless the Court determines otherwise.
- xiv. “Net PAGA Payment” means the amount remaining from the Settlement Sum after the deduction of the Settlement Administration Fee, Plaintiffs’ Counsel’s Fee Amount and Plaintiffs’ Counsels’ Cost Amount.
- xv. “Notice of PAGA Settlement” means the Notice of PAGA Settlement (attached hereto as Exhibit A) the Settlement Administrator shall mail, along with each Individual PAGA Payment, to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each Aggrieved Employee with directions to the Postmaster to forward the Notice and return all undeliverable Notices to the Settlement Administrator.

- xvi. “PAGA” refers to the Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*
- xvii. “PAGA Period” means the time period from April 6, 2019 through December 18, 2020.
- xviii. “Parties” refers to Plaintiff, the State of California, and Defendants.
- xix. “Pay Period” means each biweekly period in which Aggrieved Employees received wages during their employment at Defendant, during the PAGA Period.
- xx. “Plaintiff” refers to Norma Reyes individually and in her capacity as representative of the State of California on behalf of other aggrieved employees.
- xxi. “Plaintiff’s Counsel” are as follows:

Jean-Claude Lapuyade
THE JCL LAW FIRM, APC
3990 Old Town Ave. Suite C204
San Diego, CA 92110

Shani O. Zakay
ZAKAY LAW GROUP APLC
3990 Old Town Ave. Suite C204
San Diego, CA 92110

- xxii. “Released Claims” means all PAGA claims and PAGA penalties arising from the factual allegations in Plaintiff’s August 18, 2020 Notice to the LWDA, her September 17, 2020 amended notice to the LWDA, and in the Lawsuit, which occurred during the PAGA Period (the “Released PAGA Claims”). The release shall be limited to violations of PAGA and shall not release any of the Aggrieved Employees’ claims for the underlying Labor Code violations. The release shall also exclude claims wrongful termination, discrimination, unemployment insurance, disability, workers’ compensation, and claims outside of the PAGA Period.
- xxiii. “Released Parties” means Defendant and its former and present parents, subsidiaries and affiliated corporations and its officers, directors, employees, managers, partners, shareholders, agents, insurers, attorneys, and any other successors, assigns, or legal representatives.
- xxiv. “Settlement Administrator” means a third-party administrator the Parties will jointly select to administer the notice and payments called for in this Agreement. The Settlement Administrator shall be selected by the parties based on the bid most agreeable to all parties after considering bids from ILYM, and/or Simpluris.
- xxv. “Settlement Administration Fee” means costs incurred by the Settlement Administrator in connection with the current Agreement, whether foreseen or not, which are anticipated not to exceed \$3,050.

- xxvi. “Settlement Sum” means the Two Hundred Forty Thousand Dollars And Zero Cents (\$240,000.00) Defendant has agreed to pay as set forth herein.
- xxvii. “Individual Settlement Payment” means the payment by Defendant to Plaintiff in accordance with the separate individual settlement agreement entered into between the Parties and attached hereto as Exhibit B.”

Article II.

Background.

- (a) On August 18, 2020, Plaintiff gave written notice to the Labor and Workforce Development Agency (“LWDA”) of her intent to assert a claim under the Private Attorneys General Act of 2004 (“PAGA”) and her alleged basis for the claim. On September 17, 2020 Plaintiff submitted an amended notice to the LWDA, further advising of her intent to assert a claim under PAGA and her alleged basis for the claim. More than 65 days passed after the letter and amended letter were sent to the LWDA, and the LWDA has not indicated that it intends to investigate the alleged violations referenced in the letters.
- (b) On November 2, 2020 the Parties entered into a tolling agreement, tolling in place the statute of limitations applicable to Plaintiff’s representative PAGA which may apply to any and all California Labor Code violations, in the state they existed on October 28, 2020 until December 25, 2020.
- (c) On December 18, 2020, the Parties engaged in mediation with the Honorable Judge William Pate (Ret.), Esq. an experienced and reputable Jurist and wage and hour and PAGA actions mediator. At the conclusion of the full-day mediation, the Parties were able to reach a settlement. The Parties’ agreement was memorialized in a Memorandum of Understanding, which this Agreement now replaces.
- (d) On December 22, 2020, Plaintiff filed the Action, a representative PAGA action complaint against Defendant in the Superior Court of Orange County, Case No. 30-2020-01175614-CU-OE-CJC alleging a cause of action for violations of PAGA based on alleged Labor Code violations such as failure to pay minimum wages, failure to pay overtime wages, failure to provide meal & rest breaks, failure to provide accurate wage statements, and failure to provide wages when due.
- (e) Counsel for all Parties have thoroughly investigated the facts relating to the claims alleged in the operative complaint and have made a thorough study of the legal principles applicable to the claims asserted against Defendant. Based on their investigation and evaluation of the case, Plaintiff’s Counsel has concluded that the settlement is fair, reasonable, and adequate in light of all known facts and circumstances, including the defenses asserted by Defendant, potential adverse findings regarding liability, and numerous potential appellate issues.

- (f) This Agreement contemplates (a) the entry of an order by the Court approving the payment allocated for settlement of the Settlement Sum provided herein; (b) an order entering PAGA Judgment in the Action; and (c) all Parties bearing their respective fees and costs except as expressly provided in this Agreement. These terms are material provisions of this Agreement.

Defendant denies each and every claim and contention alleged in the Action, and has always maintained that it never engaged in any unlawful acts regarding any of the matters alleged in the Action.

Article III.

Non-Admission of Liability

Section 3.01 Based on the factual and legal issues involved, the expense and time necessary to prosecute the Action through trial, the risks, uncertainty and costs of further prosecution, the difficulty of proof necessary to establish manageability for purposes of liability, and the relative benefits to the Aggrieved Employees of an expeditious resolution to the Action, the Parties have concluded that the terms set forth in this Settlement are fair, reasonable, adequate and in the best interests of the Aggrieved Employees.

Section 3.02 By entering into this Settlement, Defendant denies any liability for any of the claims in the Action, as well as any other potential or unknown claims based on wage and hour violations under state or federal law. Neither this Settlement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement, is, may be construed as, or may be used as, an admission, concession, or indication by or against Defendant of any unlawful conduct, fault, wrongdoing or liability whatsoever. Defendant specifically denies that it has engaged in any unlawful or wrongful conduct towards Plaintiff or the Aggrieved Employees.

Article IV.

Terms of Agreement.

Section 4.01 Settlement Sum.

Defendant agrees to pay **Two Hundred Forty Thousand Dollars And Zero Cents (\$240,000.00)** as a full, complete and final settlement of the Action. This sum includes the following: (i) any payment to the LWDA; (ii) any payment to Aggrieved Employees; (iii) the payment of fees and costs to Plaintiff's counsel, as approved by the Court; and (v) all fees, costs, and expenses of administration of this Agreement. This sum excludes the Individual Settlement Payment to Plaintiff.

Section 4.02 Non-Monetary Relief.

Omitted.

Section 4.03 Fee Amount.

Plaintiff's Counsel will apply to the Court for an award of attorneys' fees not to exceed thirty-three and one-third percent (33 1/3%), of the Settlement Sum, and Plaintiff's Counsel will also seek reimbursement of reasonable litigation costs not to exceed \$10,000 (attorneys' fees and reasonable litigation costs are referred to as "Plaintiff's Counsel Payment"). Defendant will not oppose or object to Plaintiff's Counsel's application for Plaintiff's Counsel Payment. In the event that the Court does not approve an award of attorneys' fees equal to the requested amount, or the Court alters the payment methodology described herein, Plaintiff's Counsel agrees not to seek additional review of the Court's decision regarding attorneys' fees, and this Settlement will enforceable. Any reduction in this payment by the Court is not grounds to void this Agreement and any funds requested but not awarded as attorneys' fees or costs will be distributed to the State and eligible employees pursuant to the distribution terms of the Agreement or any terms imposed by the Court. Plaintiff's Counsel Payment shall be allocated between Plaintiff's Counsel as follows: The JCL Law Firm's share will be 50%, and Zakay Law Group ALPC's share will be 50%.

Section 4.04 Settlement Administration Fees and Costs.

Settlement administration shall be done by a qualified, third-party settlement administrator agreed to by the Parties and approved by the Court ("Settlement Administrator"). The parties agree that this Settlement Administrative Costs shall be paid from the Settlement Sum. This includes all fees and costs for postage, envelopes, and computer searches to locate addresses; and expenses of the Settlement Administrator to implement and complete the settlement process according to the terms of this Settlement, to calculate payments to individual Aggrieved Employees, and cost associated with the escheatment process or an any uncashed or undeliverable settlement checks, to prepare any necessary tax documents for PAGA Settlement members, and any other related fees and costs (The "Settlement Administrative Costs"). Any reductions by the Court or any unused amount shall revert to the Net PAGA Payment.

The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering the Settlement. The Settlement Administrator

Section 4.05 PAGA Payment - Allocation.

The Net PAGA Payment shall represent Labor Code Section 2699 penalties, of which 75% of the payment will be paid to the LWDA as the LWDA Payment and 25% will be paid to Aggrieved Employees as Individual PAGA Payments, unless the Court determines otherwise. A reallocation of the settlement funds amongst PAGA claims directed by the Court shall not be a basis for either side to void the agreement. Aggrieved Employees will be issued Form 1099 for their share of the PAGA payments. The Individual PAGA Payment for each Aggrieved Employee shall be based on the number of biweekly payroll periods each Aggrieved Employees worked during the PAGA Period as a percentage of the total pay periods worked by all Aggrieved Employees during the PAGA Period.

Article V.

Approval and Implementation of Agreement.

Section 5.01 Cooperation.

The Parties will cooperate in obtaining through an unopposed motion, an Order from the Court approving the terms of this Agreement at the earliest possible date. The Parties agree to use their best efforts to expedite the preparation and submission of the Agreement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents reasonably necessary to be prepared or filed in order to obtain approval of this Agreement.

Section 5.02 Court Approval.

The Parties will seek to obtain the Court's approval of this Agreement by way of a motion to be filed by Plaintiff's counsel. Defendant shall provide a declaration under penalty of perjury as to the number of Aggrieved Employees and pay periods worked by the Aggrieved Employees prior to the filing of the motion for PAGA approval. Before the mediation, Defendant provided an estimate to Plaintiff of 117 Aggrieved Employees and 2,808 pay periods during the PAGA Period. The Settlement Sum will increase proportionally with added pay periods if the declaration states that the actual number of pay periods during the PAGA Period is more than 5% of the estimate provided by Defendants for the mediation. The Court's approval of this Agreement shall be embodied in a written Order. Should the Court not grant approval of terms set forth in Section 4.01 of this Agreement, then the entirety of this Agreement shall be null and void.

Section 5.03 Notice to Aggrieved Employees.

(a) Notice.

Notice shall be provided to the Aggrieved Employees in the following manner:

- (1) No later than Fifteen (15) days after Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Aggrieved Employees List"). The Aggrieved Employees List shall state the first name and last name in separate columns for each Aggrieved Employee, the last known home address for each such Aggrieved Employee, each Aggrieved Employee's social security number, and each Aggrieved Employee's respective number of Pay Periods employed by Defendants in California during the PAGA Period.
- (2) The Settlement Administrator shall conduct one National Change of Address ("NCOA") search for all Aggrieved Employees identified on the Aggrieved Employees List. No later than ten (10) business days after its receipt of the information described in Section 4.03(a)(1), above, the Settlement Administrator shall mail the Notice of PAGA Settlement (attached hereto as Exhibit A) and the First Payment as defined below in Section 4.04(b) to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each Aggrieved Employee with directions

to the Postmaster to forward the Notice and Individual PAGA Payment and return all undeliverable Notices and Individual PAGA Payments to the Settlement Administrator. For each Notice and Individual PAGA Payment that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the Aggrieved Employee by using an address refresher database.

- (3) All costs incurred by the Settlement Administrator in connection with the current settlement, whether foreseen or not, shall be paid out of the Settlement Sum.

Section 5.04 Settlement Payment And Administration Procedures.

(a) Settlement Sum

The Settlement Administrator shall establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering the Settlement. The Settlement Administrator shall furnish the Qualified Settlement Fund with its own Employer ID number and calculate all settlement checks and withholdings required under the law based on the information that will be confidentially furnished by Defendant. There are no payroll deductions to be calculated under this Settlement, since no part of the Settlement will be classified as wages.

(b) Payment of Aggrieved Employee Payment.

Defendant shall provide the Settlement Administrator with a list of the names and addresses of the Aggrieved Employees, to be furnished within ten (10) days after the Court issues an Order approving this Settlement. The contact information is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of the Aggrieved Employees. This information is to be used only to carry out the Settlement Administrator's duties and specified in this Settlement. For purposes of distributing each Individual PAGA Payment, all distribution payments will be made according to the number of Pay Periods each Aggrieved Employee was employed by Defendant in California during the PAGA Period (partial Pay Periods will be counted as full Pay Periods), with each Aggrieved Employee being entitled to a share of the Net PAGA Payment allocated to the Aggrieved Employees based upon the Aggrieved Employee's number of Pay Periods employed with Defendant during the specified period as a numerator and the total number of Pay Periods all Aggrieved Employees were employed with Defendant in California during the PAGA Period as the denominator. Defendant's records shall be determinative for purposes of calculating the number of Pay Periods worked and any payments to Aggrieved Employees.

The Individual PAGA Payments are considered penalties and will not be subject to local, state or federal tax withholdings. All Aggrieved Employees who cash their settlement check may receive an IRS Form 1099 reflecting this portion of the settlement.

(c) Payment Schedule

In no event will any funds or payment be due by Defendant prior to the Effective Date of this Agreement. Payment by Defendant shall be due and made within 15 days after the Effective Date.

(d) Uncashed Checks

To provide the best notice and delivery of Individual Payments practicable, any Individual Payment returned to the Settlement Administrator as non-delivered shall be sent by postmarked First Class U.S. Mail to the forwarding address affixed thereto, if any. If no forwarding address is provided for an Individual Payment that is returned as non-deliverable, the Settlement Administrator shall use the best available technology accessible (i.e. skip tracing, address verification, etc.) to the Settlement Administrator or other mutually agreeable method to locate Aggrieved Employees and will then mail the Individual Payment to the address identified by the best available technology accessible to the Settlement Administrator or other mutually agreeable method. If no current address is located, the Individual Payment for that individual will be deemed undeliverable. If any PAGA Settlement Members cannot be located within two attempts at mailings by the Settlement Administrator, the Individual Payment for that individual will be deemed undeliverable.

The Settlement Administrator shall maintain a list of the postmark date for the original mailing of the Individual Payment to the Aggrieved Employees, and a list of Aggrieved Employees who did not receive the Individual Payment due to the inability to locate a valid address using the procedures described herein or who otherwise could not be located within two attempts at mailing.

All settlement checks will remain valid and negotiable for 180 days from the date of their mailing by the Settlement Administrator. After 180 days from the date of their mailing by the Settlement Administrator, any uncashed checks shall be paid to the Children Advocacy Institute in the name of the Aggrieved Employee.

No later than January 31 of the year following payment of their individual portion of the Settlement Sum, the Settlement Administrator will prepare and issue IRS Form 1099 to Aggrieved Employees who receive a payment.

Section 5.05 LWDA Notice.

Pursuant to California Labor Code section 2699(l), Plaintiff will provide a copy of this Agreement to the LWDA concurrently with the filing of the motion for settlement approval. Plaintiff will also file a declaration in support of his Motion for Settlement Approval confirming that she has submitted the Agreement to the LWDA in compliance with Labor Code section 2699(l). In addition, Plaintiff shall submit to the LWDA a copy of the Court's judgment and order approving the Agreement within ten (10) days after entry of the judgment or order.

Article VI.

Limitations On Use Of This Agreement.

Section 6.01 No Admission.

This Agreement and compliance with this Agreement shall not be construed as an admission by Defendant of any liability whatsoever, or as admission by Defendant of any violations of Plaintiff's rights, violation of any order, law, statute, duty or contract whatsoever. Defendant specifically disclaim any liability to Plaintiff or any other Aggrieved Employee for any alleged violation of his/her rights, or for any alleged violation of any order, law, statute, duty or contract.

Section 6.02 Nullification.

- (a) If the Court should for any reason fail to approve this Agreement, then (a) this Agreement shall be considered null and void, (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect, and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.
- (b) Invalidation of any material portion of this Agreement shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Material terms of this Agreement include: the definition of Aggrieved Employees (Section 1.01(iv)); the definition of Effective Date (Section 1.01(viii)); the definition of PAGA Period (Section 1.01(xiv)); the definition of Released Claims (Section 1.01(xviii)); the definition of Released Parties (Section 1.01(xix)); the definition of Settlement Sum (Section 1.01(xxii)); the requirement for entry of an order by the Court approving this Agreement and entering PAGA Judgment as contemplated in Article II(g). The following terms are not material to this Agreement: the allocation of Fee Amount (Sections 1.01(ix) and 4.03); the amount of the Settlement Administration Fee (Section 1.01(xxi)); the allocation within the Net PAGA payment (Section 4.04).

Article VII.

Section 7.01 **Limited Release and Wavier of Claims.** It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge disputes and claims alleged in the Action. Upon entry of the Order and Final Judgment approving payment of the payment of PAGA penalties as described in this Agreement, and upon funding of the Settlement Amount, Plaintiff and the State of California shall be bound by this Agreement and shall have recourse exclusively to the benefits, rights, and remedies provided hereunder. Plaintiff and the State of California shall be deemed to have, and by operation of the Order and Final Judgment granting approval of this Agreement, shall have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from the Released Claims that arose during the PAGA Period. As a result of this release, Aggrieved Employees will be unable to bring a claim under, or recover in any other claim brought under, the California Private Attorneys General Act, California Labor Code § 2698 *et seq.*, for any violations of the Released Claims that took place during the PAGA Period.

Section 7.02 **Tax Treatment and Tax Indemnification.** Aggrieved Employees will assume any tax obligations or consequences which may arise from this Settlement. If any state or federal taxing authority contacts, investigates, or pursues any action against any Aggrieved Employees for their individual share of taxes related to any payments made under this Settlement, each Aggrieved Employee shall be responsible for his/her own defense of and payment for any claim of unpaid

taxes, interest, or penalties brought by any state or federal taxing authority for the Aggrieved Employee's share of any state or federal tax obligation. If an Aggrieved Employee has questions about any liability to any state or federal taxing authority, they shall contact the Settlement Administrator. The Aggrieved Employees shall not contact Defendant, any of the Released Parties, or Defense Counsel.

Article VIII.

Miscellaneous Provisions.

Section 8.01 Voluntariness.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

Section 8.02 Parties' Authority.

The signatories hereto represent that they are fully authorized to enter into this Settlement.

Section 8.03 Amendments.

The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by Plaintiff, Plaintiff's Counsel, Defendant and Defense Counsel who executed this Agreement and (b) approved by the Court. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

Section 8.04 Assignment.

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, Plaintiff's Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiff expressly warrants that she has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

Section 8.05 Governing Law.

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, and shall in all cases be shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto.

Section 8.06 Entire Agreement.

This Agreement, including the Exhibits referred to herein, which form an integral part hereof, contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Action.

Section 8.07 Joint Drafting Of Settlement Documents.

Plaintiff's Counsel and Defense Counsel have arrived at this Settlement as a result of a series of arm's-length negotiations, taking into account all relevant factors, present and potential. The Settlement Agreement has been drafted jointly by Plaintiff's Counsel and Defense Counsel; therefore, in any construction or interpretation of this Settlement Agreement, the same shall not be construed against any of the Parties.

Section 8.08 No Press Release Or Publicity Regarding The Terms Of The Settlement.

Plaintiff and Plaintiff's Counsel, as well as Defendant and Defense Counsel, agree that they will not issue any media or press release, initiate any contact with the media or the press, respond to any media or press inquiry, or have any communications with the media or the press about the fact, amount, or terms of this Settlement Agreement.

Section 8.09 Continuing Jurisdiction Of The Court.

Pursuant to California Code Of Civil Procedure section 664.6, the Parties agree that the Court shall retain jurisdiction over the Parties, and over this Settlement Agreement, in order to monitor and enforce compliance of this Settlement Agreement, and/or resolve any disputes over this Settlement Agreement or the administration of the benefits of this Settlement Agreement.

Section 8.10 Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Section 8.11 Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, the Parties agree to submit any such dispute(s) first to Judge Pate, and if Judge Pate is unable to resolve the dispute(s), then to the Court.

IN WITNESS WHEREOF, the Parties have executed this Private Attorney General Act Settlement Agreement and Limited Release on the date set forth.

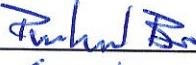
APPROVED AND ACCEPTED.

Dated: March 1, 2021

By 
Norma Reyes (Mar 1, 2021 08:45 PST)

Norma Reyes

Dated: March 8, 2021

By 
Its: Secretary / Treasurer
Simpson Garden Grove, Inc.

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: March 9, 2021, 2021

THE JCL LAW FIRM, APC

By 
Jean-Claude Lapuyade
Attorney for Plaintiff

Dated: March 1, 2021

ZAKAY LAW GROUP, APC

By 
Shani O. Zakay
Attorney for Plaintiff

Dated: March 8, 2021

GOE FORSYTH & HODGES, LLP

By 
Ron Hodges
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT
Norma Reyes v. Simpson Garden Grove, Inc.. et al.
Orange County Superior Court
Case Number 30-2020-01175614-CU-OE-CJC

«Barcode» «BarcodeString»
SIMID «SIMID»
«FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

You received this notice because of a lawsuit filed in the Orange County Superior Court entitled *Norma Reyes, et al. v. Simpson Garden Grove, Inc., et al.*, Orange County Superior Court Case No. 30-2020-01175614-CU-OE-CJC (“Action”). The plaintiff, Norma Reyes (“Plaintiff”) brought the Action against Simpson Garden Grove, Inc. and Simpson Automotive, Inc. (“Defendant”) pursuant to the Private Attorney General Act, Labor Code § 2698 *et seq.* (“PAGA”) in her representative capacity on behalf of the State of California and behalf of all of Defendant’s current and former hourly, piece-rate, and commissioned employees employed in California (“Aggrieved Employees”) between April 6, 2019 and December 18, 2020 (“PAGA Period”).

The Action seeks civil penalties on behalf of the State of California and the Aggrieved Employees for Defendant’s alleged California Labor Code violations that occurred during the PAGA Period.

Defendant denies all claims, allegations and liabilities arising out of the Action. Further, Defendant asserts that it fully complied with all applicable California Labor Code provisions at all times during the PAGA Period. Nevertheless, to avoid further time and expense defending the Action, Defendant has settled the case, and the Court has approved the settlement and release of claims. By settling the Action, Defendant is not admitting any liability.

According to the Defendant’s records, you are entitled to a share of the PAGA settlement based upon the Court-approved allocation. Enclosed with this Notice is a check, representing the settlement of the PAGA claims in this matter. The settlement check shall remain valid for 180 days.

Please Note: One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your Individual PAGA Payment. Neither Plaintiff nor Defendant have made any representations or warranties regarding the taxation of your Individual PAGA Payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). **Enclosed are the** appropriate tax forms pertaining to your payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process. If you have any questions, you may call or write Simpluris, Inc., at the number listed below:

Simpluris, Inc.

P.O. Box _____

Telephone: _____

Simpluris, Inc.

EXHIBIT B

SETTLEMENT AND RELEASE

1. **SETTLEMENT AND RELEASE:** This writing reflects an agreement for settlement and release ("Agreement") between Simpson Garden Grove, Inc. ("Defendant"), and Norma Reyes ("Plaintiff"), jointly ("the Parties") and the promises following are full and mutual consideration for the Agreement.

2. **PAGA SETTLEMENT AGREEMENT:** The Parties have separately agreed to a settlement of the claims arising under Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.* contained in LWDA Case No. LWDA-CM-802985-20. That separate settlement shall not be affected in any way by the existence of, and the terms contained in, this Agreement.

3. **PROMISES OF DEFENDANT:**

a. **Payment to Plaintiff:** Defendant shall pay to Plaintiff a total of \$60,000.00 ("Settlement Sum") in three separate checks thirty (30) days after the Effective Date of this Agreement. The first check will be made payable to the Zakay Law Group, APC Client Trust Account in the amount of \$10,000.00, and for tax purposes, tax Form 1099 will be issued to Zakay Law Group, APC and Plaintiff. The second check shall be made payable to Otkupman Law Firm, ALC in the amount of \$22,500.00, and for tax purposes, tax Form 1099 will be issued to Otkupman Law Firm, ALC. The third check shall be made payable to Nora Reyes in the amount of \$27,500.00, less applicable withholdings and payroll deductions, and a form W-2 shall be issued to Norma Reyes. These checks will be delivered to Otkupman Law Firm, ALC at 30700 Russell Ranch Road, Suite 250, Westlake Village, CA 91362. It is understood and agreed that Defendant is not liable for the apportionment of any of the Settlement Sum as between Plaintiff and any other person or entity.

b. **Response to Solicitation for Employment:** In response to solicitation for employment references, or in response to any outside inquiry, Defendant shall provide only dates of employment and job classification.

4. **PROMISES OF PLAINTIFF:**

a. **Releases:** Plaintiff releases Defendant and its current and former agents, employees, representatives, officers, directors, members, shareholders, attorneys, accountants, insurers, advisors, partners, partnerships, divisions, subsidiaries, assigns, successors, heirs, predecessors in interest, joint ventures, commonly controlled corporations, and affiliated persons, companies, and organizations ("Released Parties") from all liabilities, causes of action, charges, complaints, suits, claims, obligations, costs, losses, damages, injuries, rights, judgments, attorneys' fees, expenses, bonds, liens, bills, penalties, fines, and all other legal responsibilities of any form whatsoever, whether known or unknown, whether suspected or unsuspected, occurring on or before the effective date of this Agreement, except as expressly prohibited by statute ("Released Actions").

(1) If any claim is not subject to release, to the extent permitted by law, and except with respect to Plaintiff's existing PAGA Action (LWDA Case No. LWDA-CM-802985-20; Orange County Superior Court Case Number 30-2020-01175614-CU-OE-CJC), Plaintiff waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective action or proceeding based on such a claim in which Defendant, or any of the other Release Parties identified in this Settlement Agreement, is a party. Notwithstanding anything to the contrary herein, Plaintiff shall have the right and ability, and shall be permitted to maintain as a representative, the existing PAGA Action (LWDA Case No. LWDA-CM-802985-20; Orange County Superior Court Case Number 30-2020-01175614-CU-OE-CJC), which is the subject of the PAGA Settlement Agreement.

b. **Agreement Not To Prosecute:** Plaintiff understands and acknowledges that neither this Agreement, nor anything contained herein, shall be construed to prohibit her from filing a complaint with, or participating in any investigation or proceeding conducted by, a federal, state, or local administrative agency (including the Equal Employment Opportunity Commission and the National Labor Relations Board). Notwithstanding the foregoing, Plaintiff waives any right to monetary or other individual relief related to any such administrative complaint, with the exception of any rights to monetary or other relief granted to Plaintiff pursuant to the PAGA Settlement Agreement. Defendant's obligation to pay the Settlement Sum shall be triggered upon Plaintiff's execution of this Agreement ("Effective Date").

c. **Age Discrimination in Employment Act:**

(1) **Age Discrimination is Specifically Intended to be Included as a Released Action:** Plaintiff specifically intends that Released Actions shall include the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, except for any allegation that a breach of this Act occurred following the effective date of this Agreement.

(2) **Additional Consideration:** Plaintiff agrees that promises in this Agreement by Defendant represent obligations by Defendant to Plaintiff that are in addition to anything of value to which Plaintiff was otherwise entitled from Defendant.

(3) **Advice to Consult an Attorney:** Plaintiff acknowledges that Plaintiff was advised to consult with an attorney prior to Plaintiff's signing this Agreement.

(4) **Twenty-One Days to Consider This Agreement:** Plaintiff acknowledges that, before signing this Agreement, Plaintiff has been given twenty-one (21) full calendar days to consider this Agreement.

d. **No Transfer or Assignment:** Plaintiff will make no assignment of any Released Actions, and Plaintiff represents that no such assignment has been made. Plaintiff will also make no transfer to any person or entity all or any part of any interest in any claim released under this Settlement Agreement, and Plaintiff represents that no such transfer has been made. Plaintiff and Plaintiff's Counsel agree that they solely are responsible for the satisfaction of any assignment or liens to any lien holder and will indemnify and hold the

Released Parties harmless against any liens, damages, penalties, fines, fees, assessments, taxes, or attorneys' fees that may be imposed against or incurred by any of the Released Parties as a result of the actions of any lien holder or any lien Plaintiff or any taxing authority or any court in relation to any interest in which any third-party may have in any claim which Plaintiff is releasing under this Settlement Agreement or any interest in any of the proceeds paid to Plaintiff or Plaintiff's Counsel under this Settlement Agreement.

e. **No Current or Past Work Related Injury:** Plaintiff represents and warrants that Plaintiff has no knowledge of any work-related injury or illness incurred while working for Defendant except those for which claims were made prior to the date of this agreement.

f. **Return of Company Property/Information:** Plaintiff represents that she has returned to Defendant all documents and property that belong to Defendant, including, but without limitation, any and all reports, files, memoranda, records, cardkey passes, door and file keys, safe combinations, laptop computer, computer access codes, disks and instructional or personnel manuals, and other physical or personal property that Plaintiff received or prepared or helped to prepare in connection with Plaintiff's employment with Defendant ("Company Property").

(1) Plaintiff acknowledge and agrees that in the course of Plaintiff's work with Defendant, Plaintiff may have acquired certain trade secret information (hereafter collectively referred to as "Trade Secret Information"). Plaintiff understands and agrees that Plaintiff: (i) will keep such Trade Secret Information confidential at all times, (ii) will not disclose or communicate Trade Secret Information to any third-party, and (iii) will not make use of Trade Secret Information on Plaintiff's own behalf of any third-party. In view of the nature of Plaintiff's employment and the nature of Trade Secret Information Plaintiff received during the course of Plaintiff's assignment, Plaintiff agrees that any unauthorized disclosure to third-parties of Trade Secret Information would cause irreparable damage to Defendant, and therefore, Defendant shall be entitled to an injunction prohibiting Plaintiff from any such disclosure, attempted disclosure, violation, or threatened violation.

(2) The undertaking set forth in Paragraph f and its subparts shall survive the termination of this Settlement Agreement or other arrangement contained in this Settlement Agreement.

g. **Tax Indemnification:** Plaintiff shall indemnify Released Parties against any claim for liability, including attorney's fees, arising out of Released Parties' not withholding any income taxes or not withholding or paying any payroll taxes on any money paid to or on behalf of Plaintiff pursuant to this Agreement in the event an action is brought by the Plaintiff, or the Plaintiff's successors in interest, or the federal government, or the government of any state, or any other person or organization.

h. **Non-Disparagement:** Plaintiff agrees to do nothing to disparage Defendant and/or any of the current or former owners, officers, directors, trustees, staff, members, employees or agents of Defendant or its affiliated companies in any communications whatsoever after the date of this Agreement.

i. **Confidentiality:** Except as necessary as part of Plaintiff's efforts to seek approval of the PAGA Settlement with the Court, Plaintiff shall not disclose, to any person or entity, including but not limited to any print, broadcasting, electronic, or any other media, the existence of this Agreement, any of the terms or provisions of this Agreement, or any of the facts and circumstances concerning the Released Actions; however, that Plaintiff shall not be prohibited from making such disclosures to any person who has a strict legal necessity to know, but shall specifically make best efforts to prevent those persons from repeating those disclosures to any other person. This confidentiality provision shall not prohibit Plaintiff from informing people that "the matter has been resolved."

j. **Waiver of Unknown Claims:** Plaintiff expressly waives and relinquishes any rights and benefits pursuant to California Civil Code § 1542 with respect to the Released Actions herein, and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542 that reads:

"Section 1542. [Certain claims not affected by General Release.] "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 to him or her, would have materially affected his or her settlement with the debtor or released party."

5. **PROMISES OF PLAINTIFF AND DEFENDANT**

a. **No Admission of Wrongdoing:** Plaintiff and Defendant agree that this Agreement is not to be construed as an admission, by either party, of any wrongdoing, by either party. Defendant also does not admit to any liability or wrongdoing whatsoever with respect to Plaintiff's putative class allegations. Defendant expressly denies any and all such liability and wrongdoing. This Agreement, and the terms herein, shall not be used or introduced for any purpose other than to enforce the terms contained herein, or as necessary to seek approval of the PAGA Settlement with the Court. The Parties further agree and understand that each party to this Agreement shall bear their own respective attorneys' fees, costs, expenses related to any dispute arising from the enforcement of this Agreement.

6. **CONSTRUCTION OF THIS AGREEMENT:**

a. **Choice of Law:** This Agreement is to be construed pursuant to the laws of the State of California, including California law regarding choice of law.

b. **Invalid Agreement Provisions:** Should any provision of this Agreement become legally unenforceable, no other provision of this Agreement shall be affected, and this Agreement shall be construed as if the Agreement had never included the unenforceable provision.

c. **No Other Agreement:** Except as provided for herein in Section 2, this Agreement represents the full agreement between Defendant and Plaintiff. In signing this Agreement, Defendant and Plaintiff rely upon no promise, representation, or other inducement

that is not expressed in this Agreement. This Agreement may be modified only by written agreement of Defendant and Plaintiff and may not be modified by any oral agreement.

d. **Practices Inconsistent with this Agreement:** No provision of this Agreement shall be modified or construed by any practice that is inconsistent with such provision, and failure by Defendant or Plaintiff to comply with any provision, shall not affect the rights of any to thereafter comply or require the other to comply.

e. **Attorney's Fees:** If an action is brought to recover damages, equitable relief, or both, or to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees as part of its costs from the other party.

f. **Dismissal and Enforcement of Settlement Agreement:** The Court shall retain jurisdiction over the parties until performance in full terms of this Agreement pursuant to Cal. Code of Civil Procedure section 664.6. Pursuant to Evidence Code § 1123, this Agreement is enforceable, binding and admissible in a court of law.

g. **Ambiguities Not Construed Against Drafting Party:** The language contained in this Agreement has been reviewed and agreed to by all parties, and any ambiguities in the Agreement shall not be construed against whichever party drafted the particular provision in question.

h. **Counterparts:** This Agreement may be executed in counterparts, which will collectively, along with a copy of the text of the remainder of the Agreement, be deemed the original Agreement for all purposes. Furthermore, the Parties agree that a photocopy, fax, or email of signature shall have equal force and effect and admissibility as an original signature.

i. **Costs and Fees:** Defendant and Plaintiff agree that each shall bear their own costs and fees associated with discovery, pleadings, and any other facet of Released Actions.

j. **Contents of Agreement:** This Agreement consists of six pages.

[signature page to follow]

PLEASE READ CAREFULLY. THIS GENERAL AND SPECIAL RELEASE AND SETTLEMENT AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. MARCOS ANTONIOS ACKNOWLEDGES THAT HE HAS READ THIS

AGREEMENT AND UNDERSTANDS IT, HE HAS CONSULTED WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT, AND HE IS VOLUNTARILY ENTERING INTO THIS AGREEMENT.

Dated: 1/6/2021, 2020

DocuSigned by:
N. Reyes
BA83BB39E90B4DF...

Norma Reyes

Simpson Garden Grove, Inc.

Dated: 1/8, 2020

By Richard R.

Title Secretary / Treasurer

APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY

Dated: 1/6/2021, 2020

OTKUPMAN LAW FIRM, ALC

DocuSigned by:
Roman Otkupman
018FE032D1FA4AD...
By Roman Otkupman
Roman Otkupman
Attorneys for Plaintiff

Dated: _____, 2020

ZAKAY LAW GROUP, APC

By _____
Shani O. Zakay
Attorney for Plaintiff

Dated: 2/9/2021, ~~2020~~

GOE FORSYTH & HODGES, LLP

By Ron Hodges
Ron Hodges
Attorney for Defendant

AGREEMENT AND UNDERSTANDS IT, HE HAS CONSULTED WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT, AND HE IS VOLUNTARILY ENTERING INTO THIS AGREEMENT.

Dated: _____, 2020

Norma Reyes

Dated: _____, 2020

Simpson Garden Grove, Inc.

By _____

Title _____

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

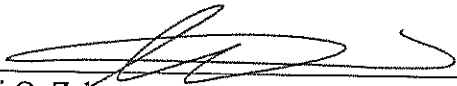
Dated: _____, 2020

OTKUPMAN LAW FIRM, ALC

By _____
Roman Otkupman
Attorneys for Plaintiff

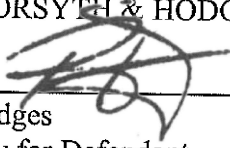
Dated: January 6, 2021

ZAKAY LAW GROUP, APC

By  _____
Shani O. Zakay
Attorney for Plaintiff

Dated: 2/9/2021, ~~2020~~

GOE FORSYTH & HODGES, LLP

By  _____
Ron Hodges
Attorney for Defendant