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Superior Court of California,
County of San Benito
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JOHN P. BRISCOE (SBN: 273690)
MAYALL HURLEY P.C.
112 S. Church St.
Lodi, California 95242
Telephone: (209) 477-3833
jbriscoe@mayallaw.com

Attorneys for Plaintiff Omar Perez

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BENITO

OMAR PEREZ, an individual, on his own behalf and on behalf of the Labor and Workforce Development Agency; **Plaintiff,** **v.** **TIFFANY MOTOR COMPANY, a corporation; and DOES 1-100, inclusive,** **Defendants.**	**Case No.: CU-24-00038** **STIPULATION OF SETTLEMENT UNDER PRIVATE ATTORNEYS GENERAL ACT OF 2004; ~~[PROPOSED]~~ ORDER**

The Parties hereto, Plaintiff Omar Perez ("Plaintiff") as a representative for the Labor and Workforce Development Agency ("LWDA"), and Defendant Tiffany Motor Company ("Defendant") (collectively the "Parties"), hereby stipulate and agree as follows:

1. On December 22, 2023, counsel for Plaintiff sent a letter to the LWDA and Defendant alleging violations of the Labor Code alleged to have occurred during Plaintiff's employment with Defendant ("LWDA Letter").

2. On February 27, 2024, Plaintiff filed the above-captioned matter (the "Action"), alleging a cause of action under the Private Attorneys General Act ("PAGA Claim") based on the Labor Code violations as alleged in the LWDA Letter, in addition to individual causes of action

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under the Labor Code.

3. Subsequent to the filing of this action, Defendant petitioned the Court to enforce an arbitration agreement between the parties. Said petition was granted on June 6, 2024; Plaintiff was ordered to submit his individual claims to private arbitration (JAMS) and the case was stayed in its entirety.

4. In the course of JAMS arbitration proceedings, Plaintiff resolved his individual claims under Code of Civil Procedure section 998. Subsequently, the stay in these civil proceedings was lifted, and the Parties resumed litigation on the PAGA Claim. It was then agreed that the Parties would attend private mediation with Hon. Kevin Murphy (Ret.), a retired judge of the Superior Court of California and an experienced mediator of PAGA actions.

5. In advance of mediation, the Parties engaged in informal discovery which permitted Plaintiff's counsel to make an informed valuation of the PAGA Claim. This informal discovery disclosed information regarding the number of individuals believed to have been affected by the alleged violations during the relevant time period. The data disclosed, and Defendant confirms, that the total number of Aggrieved Employees (as defined below) potentially affected by the alleged violation is approximately 46, and that such persons worked a gross total of 2,364 pay periods between December 16, 2022 and September 9, 2026. Plaintiff's counsel was able to devise a penalties model, which showed that the **absolute maximum exposure** for civil penalties in this matter was $733,000.

6. Mediation was held on September 9, 2026, which resulted in this proposed settlement.

7. Defendant denies all of Plaintiff's allegations, both on factual and legal bases.

8. Labor Code section 2699(l) requires that the court review and approve any proposed settlement agreement pursuant to PAGA.

9. Plaintiff and Plaintiff's counsel concluded—after taking into account the sharply disputed factual and legal issues involved in the Action, the risks attending further prosecution, the discovery and investigation conducted to date, and the substantial benefits received and to be

received pursuant to the compromise and settlement of the Action, the nature of the claimed violations and the wide discretion of the Court to reduce civil penalties imposed—that settlement on the terms herein set forth is in the best interest of all interested parties, including the Labor and Workforce Development Agency (the "LWDA"), and that the settlement adequately serves the deterrent purposes of the PAGA.

10. Plaintiff and Plaintiff's counsel have balanced their evaluation of the validity and strength of the asserted claims against the problems of proof and the legal standards governing the claims alleged. Following substantial discovery and analysis, and applying the appropriate civil penalties as provided by the Labor Code, Plaintiff's counsel believes that the settlement reached satisfies the public policies of PAGA to punish past violations and deter future violations of the Labor Code. Plaintiff's counsel considered, *inter alia,* that only five of the Aggrieved Employees, including himself, worked as car salespersons (not paid by the hour), and thus the issue of unpaid productive time (i.e., work hours that did not contribute to the earning of commissions) would likely not apply to most Aggrieved Employees. He also considered that, while other Aggrieved Employees were likely denied some amount of paid rest periods, that said employees did not record rest periods and that many rest periods were likely foregone voluntarily by employees. He also considered that a trial court enjoys wide discretion to reduce civil penalties assessed. In Plaintiff's counsel's opinion, this settlement—providing for a gross recovery of approximately 20 percent of the maximum possible recovery—is an eminently fair and reasonable settlement of the PAGA Claim and should be approved.[1]

11. Similarly, Defendant and Defendant's counsel concluded there were benefits associated with settling. Although Defendant denies the various allegations and challenges the validity of each of the causes of action in the Action, Defendant took into account the sharply disputed factual and legal issues involved in the LWDA Letter and the Action, the risk attending

[1] Consistent with the PAGA, this Stipulation of Settlement will be sent to the LWDA when it is submitted to this Court. The LWDA has assigned the Case Number LWDA-CM-1101270-33.

further defense, the expense, time, and burden of protracted litigation and potential appeal following a judgment, and the desire to put the controversy to rest. Based on these factors, Defendant and Defendant's counsel agreed to this settlement without any admission of fault or liability. Defendant specifically disclaims and denies any such liability or wrongdoing alleged in this action. Nothing in this Stipulation of Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued, or used during the course of the negotiations leading to this Stipulation of Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any judicial, arbitral, administrative, investigative, or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity, against Defendant or any other Released Party (as defined in paragraph 14, *infra*). The parties agree an express condition of this Stipulation of Settlement is that there has been no finding of liability on the merits and this settlement cannot be a basis to assert offensive collateral estoppel against Defendant. Notwithstanding the foregoing, nothing in this Stipulation of Settlement shall limit Defendant's use of the Judgment or any papers in this action to assert defensive collateral estoppel or res judicata in any other action.

12. The Parties hereby agree to settle the PAGA Claim ("the PAGA Settlement") for a total payment of **$150,000.00** ("Maximum Settlement Amount").

13. The persons covered by the PAGA Settlement will be Plaintiff and all other persons who worked for Defendant in California as nonmanagerial employees of Defendant (i.e., those who worked as hourly, nonexempt employees, or commissioned car salespersons) at any time from December 16, 2022 through the date on which this Stipulation of Settlement is judicially approved (Aggrieved Employees").[2]

[2] The applicable time period of December 16, 2022 to the date of the order approving this Stipulation of Settlement is referred to as "the PAGA Timeframe."

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14. The Released Parties are Defendant and all of its subsidiaries, affiliates, shareholders, members, managers, officers, director, agents, employees, predecessors, successors, and assigns.

15. Plaintiff and other Aggrieved Employees will be bound by a release of all claims and causes of action falling within the definition of "Released Claims" (below), whether known or unknown, and irrespective of the factual or legal basis for such claims. However, to be clear, the scope of the release is limited to the PAGA Released Claims as defined in Paragraph 16. Plaintiff and other Aggrieved Employees may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in this action. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released Claims, and by virtue of this Stipulation of Settlement, Plaintiff and Aggrieved Employees shall be deemed to have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Released Claims. The parties understand and specifically agree the scope of the release described in this Paragraph is a material part of the consideration for this Stipulation of Settlement; was critical in justifying the agreed upon economic value of this settlement and without it Defendant would not have agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendant is obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts, causes of action, and legal theories contained in Plaintiff's Complaint.

16. Upon the Effective Date (the date on which the above-captioned Court approves this Stipulation of Settlement), the LWDA and each of the Aggrieved Employees, including Plaintiff, hereby voluntarily and knowingly release and forever discharge any and all claims against the Released Parties that could have been premised or predicated on any claims, causes of action, or legal theories of relief described or pleaded in the operative complaint filed in this action and the written notice of any such claims submitted to the LWDA by Plaintiff under the PAGA, specifically violations of Labor Code sections 226, 226.7, 512, 1182.12, and 1197 (collectively the "PAGA Released Claims"), arising from December 16, 2022 through the date of approval of this Stipulation of Settlement. These releases will take effect whether or not a PAGA Member receives his or her

Individual PAGA Payment (as defined herein below) or cashes and deposits any Individual PAGA Payment check.

17. Separately, **and with regard to Plaintiff only** and in consideration for, *inter alia,* an enhancement award as stipulated herein, Plaintiff releases the Released Parties from any and all claims he may have against them including, limitation, claims that he did not know or suspect to exist at the time of execution hereof, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under this Agreement is also for the release of those claims and contemplates the extinguishment of any such unknown claims. In furtherance of this settlement, Plaintiff waives any rights he may have under Civil Code Section 1542, which provides as follows:

> **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.**

18. Neither the distribution of Individual Settlement Payment checks to, nor the use or enjoyment of any Individual Settlement Payment checks by Aggrieved Employees shall constitute a waiver of any claim that does not arise under the PAGA.

19. The Maximum Settlement Amount shall be allocated as follows:

a. $50,000, representing 33 1/3% of the Maximum Settlement Amount as attorneys' fees incurred for prosecution of the PAGA Claim;
b. $2,950, representing the costs of administration of this settlement, as conducted by ILYM Class Action Administration Group ("Administrator");
c. $7,500, representing an enhancement payment to Plaintiff for bringing the PAGA Claim; and
d. $4,919.15 for costs of suit.

The Net Settlement Amount of $84,630.85 will be further allocated as follows:

e. $21,157.71, or 25 percent of the Net PAGA Settlement Sum will be distributed by the Administrator to Plaintiff and the Aggrieved Employees who worked during the PAGA Timeframe. Each employee will receive a proportional share of the net PAGA Settlement Sum based on the number of pay periods he/she was employed during the PAGA Timeframe ("Individual Settlement Payment"). The

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Administrator will send each Aggrieved Employee their portion of the settlement by mail to the last known address. Settlement checks issued to the Aggrieved Employees pursuant to this Agreement shall expire 120 days from the date they are issued. Any unclaimed funds after 120 days shall be remitted to the Unclaimed Property Fund for the State Controller's Office (SCO) of California.

f. $63,473.14 or 75 percent of the Net PAGA Settlement Sum shall be paid to the LWDA in accordance with Section 2699(i) of the California Labor Code.

20. Within 10 calendar days of the Court granting approval of this PAGA settlement, Defendant will provide the names and addresses of Plaintiff and Aggrieved Employees, together with their respective pay periods worked during the PAGA Settlement Period to the Administrator ("PAGA Group Information"). The pay periods worked shall include any pay period in which Plaintiff and Aggrieved Employees received a paycheck from Defendant during employment in California during the PAGA Timeframe. If it can be readily determined, pay periods where someone was employed, but did not record any hours, can be excluded from this calculation. The Administrator shall, within 5 business days of receipt of the PAGA Group Information, advise as to the final Maximum Settlement Amount, taking into consideration the potential escalation under Paragraph 22, *infra*. And within 5 business days after notification of the final Maximum Settlement Amount, Defendant shall remit the Maximum Settlement Amount.

21. On the condition that the Court approves this Stipulation of Settlement and enters the attached Order, the PAGA Settlement Sum will be paid as follows:

a. Within ten (10) calendar days after the Court enters the attached Order, Defendant shall pay the Gross Settlement Amount to the Administrator and shall also provide to ADMINISTRATOR the names and last-known addresses of all Aggrieved Employees who worked for Defendant during the PAGA Timeframe and the PAGA Group Information. Within 10 days after receiving the aforementioned sum and employee information, ADMINISTRATOR shall (1) pay to Mayall Hurley P.C. attorney's fees and costs as stipulated herein; (2) pay $63,473.14 to the LWDA; (3) pay the Individual Settlement Payments to the Aggrieved Employees; (4) pay to Plaintiff an enhancement award of $7,500; and (5) retain $2,950 for administration costs.

Individual Settlement Payments shall be sent by the Administrator as follows. The Administrator shall mail Individual Settlement Payments to Aggrieved Employees by U.S. First Class mail to the Aggrieved Employee's last known addresses. A

letter explaining this Settlement Agreement will be included in the mailing of each Aggrieved Employee's check. Plaintiff's payment will be sent to Mayall Hurley P.C. It will be conclusively presumed that any Aggrieved Employee's check was received if the payment check has not been returned within thirty (30) days after the original mailing of the payment check.

b. Settlement checks shall remain valid and negotiable for one hundred twenty (120) calendar days from the date of their issuance. If there are uncashed checks following this period, the Administrator will ensure that uncashed funds shall be forwarded to the unclaimed property fund for the State Controller's Unclaimed Property Fund of California in the name of the Aggrieved Employee who did not cash his or her Individual Settlement Payment. If the amounts related to uncashed settlement checks cannot be tendered to the Controller for the State of California, the parties will mutually agree to an alternative recipient option.

c. The settlement payments set forth above will be reported on IRS Form 1099s. The Parties acknowledge and agree that all settlement payments set forth under this Stipulation of Settlement are attributable as penalties. None are attributable as wages. Accordingly, the parties acknowledge and agree that Defendant is not responsible for any employer-side taxes in connection with any PAGA settlement payments under this Stipulation of Settlement. Plaintiff, Mayall Hurley P.C., and the Aggrieved Employees shall be solely responsible for the reporting and payment of their share of any federal, state and/or municipal income or other taxes on payments made pursuant to this Agreement, and shall hold Defendant and Defendant's counsel free and harmless from any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes. No party has made any representation to any of the other Parties as to the taxability of any payments pursuant to this Agreement, including the payments to Plaintiff and the Aggrieved Employees, the payments to Plaintiff's counsel, or otherwise as to the tax implications of any provision of this Agreement.

d. Plaintiff, Plaintiff's counsel, Defendant, and Defendant's counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the settlement payments or the development of the list of recipients of settlement payments by the Administrator.

22. In the event that either the total number of pay periods worked by Aggrieved Employees during the PAGA Period (through September 9, 2026) is more than 10 percent larger than represented by Defendant in Paragraph 5, *supra,* then Defendant will have the option to either (i) allow the Gross Settlement Amount to increase on a pro rata basis above 10 percent to the extent the threshold is exceeded (e.g., if the total number of pay periods for the PAGA Period is actually 11

percent more than 2,364, then the Gross Settlement Amount shall increase by one percent), or (ii) shorten the PAGA Period such that the threshold is not exceeded—i.e., such that there is not an increase in the total number of Aggrieved Employees, or pay periods worked, of more than 10 percent. If Defendant elects option (i), *supra,* then Plaintiff's attorney's fees, *supra,* shall increase proportionately so that they equal one-third of the increased Gross Settlement Amount. Similarly, in this event, the payments to the LWDA and the Aggrieved Employees shall increase proportionately so that they equal 75 percent and 25 percent, respectively, of the Net Settlement Amount.

23. The Parties jointly request that the Court approve the penalties sought as part of the PAGA Stipulation of Settlement and enter judgment accordingly.

24. This Stipulation is made for the sole purpose of settling this Action. This Stipulation and the settlement it evidences are made in compromise of disputed claims. Because this action was pleaded as a PAGA action, this Stipulation must receive approval by the Court. Accordingly, the Parties enter into this Stipulation and associated settlement on a conditional basis. If the Court does not enter an order granting approval of this Stipulation, this Stipulation shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the Stipulation shall remain subject to the provisions of California Evidence Code sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

25. The Parties agree that if the Court approves an amount of attorneys' fees less than the amount set forth in Paragraph 19, or if the Court declines to approve a $7,500 enhancement award to Plaintiff, it shall not be grounds to revoke this Stipulation of Settlement and it will remain binding. Any unapproved portion(s) shall revert to the Net Settlement Amount to be distributed between the Plaintiff, the Aggrieved Employees and the LWDA in the same percentages as set forth in Paragraph 19.

26. Plaintiff is not deemed the prevailing party for any purpose.

27. Plaintiff represents and warrants he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or

may be subject to this Stipulation of Settlement.

28. Plaintiff acknowledges he has read this Stipulation of Settlement, he fully understands his rights, privileges, and duties under this Stipulation of Settlement, and enters into this Agreement freely and voluntarily. Plaintiff further acknowledges he has had the opportunity to consult with his counsel to explain the terms of the Stipulation of Settlement and the consequences of signing this Stipulation of Settlement.

29. This Stipulation of Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

30. The Parties shall each bear their own costs and fees incurred in connection with this action and this Stipulation of Settlement, except as otherwise set forth herein.

31. This Stipulation of Settlement shall be construed under the laws of the State of California.

32. Except as provided for in the Individual Settlement Agreement, the Parties acknowledge and represent that no promise or representation not contained in this Stipulation of Settlement has been made to them and acknowledge and represent this Stipulation of Settlement contains the entire understanding between them and contains all of the terms and conditions pertaining to the compromise and settlement of the PAGA Claim. This Stipulation of Settlement cannot be amended or modified except by a writing signed by the Parties hereto and their successors in interest, and such must be approved by a Court of competent jurisdiction.

33. The Parties agree not to challenge this Stipulation of Settlement as illegal, invalid, or unenforceable. If any provision of this Stipulation of Settlement is determined to be invalid or unenforceable, that provision shall be severed from this Stipulation of Settlement and all of the other provisions shall remain valid and enforceable notwithstanding the severing of the unenforceable portion, unless the provision found to be unenforceable is of such material effect that this Stipulation of Settlement cannot be performed in accordance with the intent of the Parties in the absence of that provision.

34. In the event of a breach of this Stipulation of Settlement or in the event of any action

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or proceeding based upon or related to this Stipulation of Settlement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

35. Each party has had a full and complete opportunity to review this Stipulation of Settlement and make suggestions or changes and seek legal advice. Accordingly, each party understands this Stipulation of Settlement is deemed to have been drafted jointly by the Parties and agrees that the common-law principles of construing ambiguities against the drafter shall have no application hereto. It should be construed fairly and not in favor of or against one party as the drafter of that provision or this Stipulation of Settlement.

36. This Stipulation of Settlement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, signatures delivered via facsimile transmission, e-mail, or electronic signature applications shall have the same force, validity and effect as the originals of the signatures.

IT IS SO STIPULATED.

PLAINTIFF AND PLAINTIFF'S COUNSEL

DATED: 9/24/2026

Signed by:
Omar Perez
EC8E22F20FCA46F...
Plaintiff Omar Perez

DATED: 9/24/2026

MAYALL HURLEY P.C.

By: DocuSigned by:
John P. Briscoe
F1C173D29750461...
John P. Briscoe
Attorneys for Plaintiff

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DEFENDANT AND DEFENDANT'S COUNSEL

Tiffany Motor Company

DATED: 10/2/26

By: _____

FINE BOGGS & PERKINS LLP

DATED: 10/2/2026

By: _____
Michael Perkins
Felix Zhuk
Dave Reese
Attorneys for Defendant

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ORDER

Upon review of the foregoing stipulation entered into by and between the parties in the above-referenced action, and good cause appearing therefor,

IT IS HEREBY ORDERED that the foregoing stipulation is hereby approved and the Court approves the Parties' PAGA Settlement pursuant to Labor Code § 2699(l).

DATED: 10/06/2026

Judge of the Superior Court
J. Omar Rodriguez