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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES - CENTRAL DISTRICT

SAMUEL J. LANZAGORTHA, an individual, Plaintiff, v. Express Metals Recycling IC-DISC, Inc., a California Corporation; CSC AUTO SALVAGE AND DISMANTLING, INC., a California Corporation; SCOTT B. SAKAJIAN, an individual; and DOES 1 through 20 Inclusive, Defendants.	CASE NO.: 24STCV09711 *[Unlimited Jurisdiction]* *Assigned for all purposes to the Honorable Stephen P. Pfahler, Dept. 68* **AMENDED PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS** Complaint Filed: April 17, 2024 Trial Date: Not Set

This Amended Private Attorneys General Act of 2004 ("PAGA") Representative Action Settlement Agreement and Release of PAGA Claims is entered into by and between Plaintiff Samuel J. Lanzagortha ("Plaintiff"), on behalf of himself, the State of California, and the Aggrieved Employees, on the one hand, and Defendants CSC Auto Salvage and Dismantling, Inc., Express Metals Recycling IC-DISC, Inc., and Scott B. Sakajian (collectively "Defendants"), on the other hand, subject to the terms and conditions herein and the Court's approval.

A. <u>Definitions</u>

1. **"Action"** means the case entitled *Samuel J. Lanzagortha. v. Express Metals Recycling IC-DISC, Inc., et al.* Los Angeles County Superior Court Case No. 24STCV09711.

2. **"Agreement"** shall mean this PAGA Representative Action Settlement Agreement and Release of PAGA Claims.

3. **"Aggrieved Employees"** means all current and former nonexempt employees employed by Defendants in California at any time during the PAGA Period.

4. **"Aggrieved Employee List"** shall be on a spreadsheet and shall include, for each Aggrieved Employee: full name; most recent mailing address on file with Defendants; phone number; Social Security Number; and number of Eligible Pay Periods during the PAGA Period.

5. **"Attorneys' Costs"** means an award of costs to be paid to Plaintiffs' Counsel for the costs they have incurred in prosecuting the Action, subject to Court approval.

6. **"Attorneys' Fees"** means an award of attorneys' fees to be paid to Plaintiffs' Counsel for the services they have rendered and will render to the Aggrieved Employees in the Action, subject to Court approval.

7. **"Complaint"** means the operative Complaint filed in the Action seeking an assessment of PAGA penalties for Defendants' alleged violations of Labor Code sections 2698, 201, 202, 203, 204, 206, 216, 218.6, 221, 226, 226.7, 226.8, 432.5, 450, 512, 558, 1174, 117.5, 1182.12, 1194, 1197, 1198, 1199, 2699.5, and 2802.

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

9. **"Defendants"**, means and refers to CSC Auto Salvage and Dismantling, Inc., Express Metals Recycling IC-DISC, Inc., and Scott B. Sakajian.

10. **"Defense Counsel"** means Philip J. Azzara and Arthur L. Ramirez of Fisher & Phillips, LLP.

11. **"Effective Date"** means the date the Court enters the Final Order approving the PAGA Settlement.

12. **"Eligible Pay Period"** means any pay period in which an Aggrieved Employee had hours worked for Defendants in California during the PAGA Period. Defendants estimate that there are a total of approximately 2,300 Eligible Pay Periods worked by approximately 88 Aggrieved Employees during the PAGA Period.

13. **"Final Order"** means the order that will be entered by the Court to approve the Settlement.

14. **"Gross Settlement Amount"** means One Hundred and Forty Five Thousand Dollars and Zero Cents ($145,000.00), which is the maximum amount that Defendants will be required to pay upon the Court approving this Settlement and the Effective Date occurring. The Gross Settlement Amount will be used to pay: (a) the PAGA Award to the LWDA and the Aggrieved Employees; (b) the award of Attorneys' Fees; (c) the award of Attorneys' Costs to Plaintiff's Counsel; (d) Plaintiff's Individual Settlement of $55,000.00, and (e) Settlement Administration Costs. The Parties agree that the Gross Settlement Amount is inclusive of any possible claim for interest accrued between the Effective Date and Defendants' funding the Gross Settlement Amount. Defendants shall not be required to pay any additional amounts beyond the Gross Settlement Amount set forth herein, including any claims for interest.

15. **"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.

16. **"LWDA"** means the California Labor Workforce Development Agency.

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17. **“LWDA Settlement Proceeds”** means the seventy-five percent (75%) of the PAGA Award which is payable to the LWDA.

18. “**Net Settlement Amount**” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff’s enhancement payment, and the Administration Expenses Payment. The remainder is to be paid as follows: 25% to Aggrieved Employees as Individual PAGA Payments and 75% to the LWDA.

19. **“Notice”** means the form of notice that will be sent to each Aggrieved Employee accompanying their Individual PAGA Payments.

20. **“PAGA Award”** means the Settlement Amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts are subtracted from the Settlement Amount: (a) Attorneys’ Fees, (b) Attorneys’ Costs, (c) Plaintiff’s Service Awards, and (d) Settlement Administration Costs.

21. **“PAGA Penalties”** means the total amount of net PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

22. **“PAGA Period”** means the time period of February 13, 2023, through August 21, 2025.

23. **“Parties”** means Plaintiff, the Aggrieved Employees, and Defendants, collectively.

24. **“Plaintiff’s Counsel”** means Sarkis Sirmabekian of Sirmabekian Law Firm, PC.

25. “**Plaintiff’s Enhancement Payment**” means the payment to the Plaintiff for initiating the Action and providing services in support of the Action.

26. **“Released PAGA Claims”** means any and all rights and claims for civil penalties that Plaintiff alleged against Defendants, on behalf of Aggrieved Employees and State of California, based on the facts stated in the operative Complaint in the Action and in the LWDA notice letter(s) sent by Plaintiff, including all PAGA claims seeking civil penalties premised upon Defendants’ alleged (a) failure to pay minimum wages, (b) failure to

compensate for all hours worked, (c) failure to pay overtime wages, (d) failure to provide meal periods, (e) failure to provide rest breaks, (f) failure to provide accurate itemized wage statements, (g) failure to timely pay wages upon discharge, (h) failure to indemnify and illegal deductions from wages, and (i) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* that were stated in the Complaint and based upon the facts alleged in the Complaint and the notice(s) sent by Plaintiff to the LWDA.

27. **"Released Parties"** means Defendants, and its parents, subsidiaries, directors, owners, shareholders, officers, agents, attorneys, servants, joint employers and employees, past and present, and each of them and anyone acting in concert with foregoing.

28. **"Settlement"** means the terms and conditions set forth in this Agreement.

29. **"Settlement Administration Costs"** means the amount from the Settlement Amount, which shall be allocated to the Settlement Administrator for services rendered in administering the Settlement, not to exceed $5,000, subject to Court approval.

30. **"Settlement Administrator"** means Phoenix Class Action Administration Solutions, the third-party entity selected by the Parties who will administrator the settlement, subject to approval by the Court, in accordance with this Agreement.

B. <u>General Terms</u>

31. On February 7, 2024, Plaintiff gave written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of alleged violations of Labor Code sections 201, 202, 202, 226(a), 226.3, 226.7, 226.8, 512, 558, 1194, 1197, 1197.1, 1174.5, 1199, 2698, 2699.5, 2802, and/or applicable sections of the California Industrial Welfare Commission Wage Orders for wage-and-hour penalty claims. The LWDA did not assert jurisdiction over the claims. Thereafter, Plaintiff's filed his PAGA Complaint on or about April 17, 2024.

32. The Parties mediated the Action on May 23, 2025, with Mark Lemke. At the mediation, the Parties reached an agreement to settle the PAGA claims in the Action as embodied in this Agreement.

33. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be performed or judgment to be entered pursuant to the terms of the Settlement and

Agreement, shall be construed as an admission by Defendants of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action.

34. Defendants deny all of the allegations in the Action, including all PAGA claims, and deny that they have committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind, and further deny that this Action is appropriate for PAGA representative treatment for any purpose other than settling this Action. Defendants have denied and continue to deny each and every material factual allegation and every alleged claim asserted against it in the Action.

35. The Parties have conducted a thorough investigation into the facts of the PAGA Action. This included conducting extensive informal discovery and exchanging information and documents relating to the Released PAGA Claims. Based on the foregoing data and on their own independent investigation and evaluation, Plaintiff's Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate, and is in the best interest of the LWDA and Aggrieved Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendants, and numerous potential appellate issues. Defendants and Defense Counsel also agree that the settlement is fair and in the best interest of the LWDA and Aggrieved Employees. The Parties desire to completely dispose of the Action by this Agreement. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

36. Under California Law, the State may assess and collect civil penalties from employers for violations of certain provisions of the Labor Code. (See Cal. Lab. Code §§ 2699 *et seq.*) Under PAGA, however, if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not

issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the state's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees." *Id*. "[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees." *Id.*

37. California Labor Code § 2699(l)(2) provides that "The superior court shall review and approve any settlement of any civil action filed pursuant to this part."

38. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows.

C. Terms of Settlement

39. Subject to the Court's approval of the Settlement pursuant to Labor Code § 2699(l)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement and disposal of the entire Action in exchange for Defendants' agreement to pay the Settlement Amount.

40. The financial terms of the Settlement are as follows:

(a) Gross Settlement Amount: The Parties agree to settle this Action for the Gross Settlement Amount, which is the maximum amount that will be paid by Defendants and includes the Court-awarded Attorneys' Fees, Attorneys' Costs, Plaintiff's Individual Settlement Payment, and the remainder forming the PAGA Award.

(b) Attorneys' Fees and Attorneys' Costs: The Parties agree that, subject to the Court's review and approval, Plaintiff's Counsel will be paid Attorneys' Fees of one-third of $90,000.00 ($30,000.00), plus actual Attorney's Costs not to exceed $5,000.00 from the Settlement Amount. Any portion of the Attorneys' Fees or Attorneys' Costs not awarded to Plaintiff's Counsel will be reallocated to the PAGA Award. Defendants agree not to oppose any request by Plaintiff's counsel for attorneys' fees under the common fund doctrine and/or lodestar multiplier method. The Settlement Administrator will report these payments on an IRS Form 1099 issued to Plaintiff's Counsel.

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(c) Settlement Administration Costs: The costs associated with settlement administration (e.g. NCOA searches, preparing and mailing payments/notices to LWDA and Aggrieved Employees, tax documentation, etc.) shall be paid from the Settlement Amount and shall not exceed $5,000.00. Any Settlement Administration Costs not awarded by the Court will be added back to the Net Settlement Amount and reallocated to the PAGA Award.

(d) PAGA Award: After deducting the amounts specified in items (b)-(d) from the Settlement Amount, the balance remaining will form the PAGA Award that will be paid to the Aggrieved Employees and the LWDA in full satisfaction of all Released PAGA Claims. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Award will be paid to the LWDA. The remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees on a pro-rata basis according to the following formula:

i. The Settlement Administrator will divide the amount payable to all Aggrieved Employees (*i.e.*, 25% of the PAGA Award) by the total number of Eligible Pay Periods worked by all Aggrieved Employees during the PAGA Period, as calculated from the Aggrieved Employee List, to determine the "Eligible Pay Period Value."

ii. Each Aggrieved Employee's Individual PAGA Payment will then be determined by multiplying the Eligible Pay Periods by the Eligible Pay Period Value.

(e) Taxes and Reporting: Each Aggrieved Employee's Individual PAGA Payment shall be treated as penalties (*i.e.*, non-wage income) for all purposes and reported by the Settlement Administrator on IRS Form 1099 to the respective Aggrieved Employee and applicable governmental authorities. No portion of the Individual PAGA Payments shall be construed as wages. Nothing in this Agreement is intended to constitute legal advice regarding federal, state and/or local tax obligations or legal requirements for attribution of settlement proceeds. The Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the settlement on his/her personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the settlement. Plaintiff, Defendants, Plaintiff's Counsel, and Defense Counsel make no representations or warranties with respect to tax consequences of any payment under this

Agreement and do not intend anything contained in this Agreement to constitute advice regarding taxes or taxability (nor shall anything in this Agreement be relied upon as such). To the extent that this Agreement or any of its attachments is interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendants, Defense Counsel, Plaintiff, and Plaintiffs' Counsel are not responsible for any employee tax obligations arising out of the Aggrieved Employee's Individual PAGA Payments.

(f) The Parties agree that the settlement is fair and reasonable and will so represent to the Court. The Parties agree that should the Court deny approval of the settlement based on the allocation of the Settlement Amount or the PAGA Award, the Parties agree to re-negotiate the allocation of funds in good faith in an effort to obtain approval of the settlement.

41. The settlement is subject to an escalation clause. Based on its records, Defendants

estimates that, as of the date of this Settlement Agreement, there are 88 Aggrieved Employees who worked 2,300 Pay Periods during the PAGA Period. If the actual number of Pay Periods is more than 10.0% greater than the estimated amount of 2,300 (i.e., 2,530 or more), then the GSA shall be increased in proportion to the increase in Pay Periods above 10%.

D. <u>Settlement Approval and Implemental Procedures</u>

42. The Parties shall enter into a Stipulation for approval of the settlement pursuant to California Labor Code § 2699(l)(2), advocating that the Settlement is fair, adequate, and reasonable, and Plaintiff's Counsel shall, if the Court requires a motion for approval of the settlement, send a draft of the motion and all supporting papers to Defense Counsel for review and comment. Plaintiff will then move the Court for approval of the Settlement and this Agreement, including the allocation of the PAGA Award, Plaintiff's Counsel's Attorneys' Fees and Costs, Plaintiff's Individual Settlement Payment, and Settlement Administration Costs, which Defendants will not oppose. Plaintiff's Counsel will serve the Motion on Defense Counsel via email and submit it to the LWDA though the online filing system. Pursuant to

California Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall undertake all required submissions and disclosures to the LWDA and the Court to obtain approval of the settlement.

43. The Parties have agreed to the appointment of the Settlement Administrator to perform the duties of a settlement administrator, including mailing the Notice, using standard devices to obtain forwarding addresses, resolving any disputes regarding the calculation or application of the formula for determining the Individual PAGA Payments, drafting and mailing the settlement checks to Aggrieved Employees, issuing 1099 forms, and performing such other tasks as set forth herein or as the Parties mutually agree or that the Court orders. Any disputes relating to administration of the settlement by the Settlement Administrator shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until all payments and obligations contemplated by this Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Settlement Administrator shall also be responsible for issuing to Plaintiff, Aggrieved Employees, and Plaintiff's Counsel, any IRS form 1099, or other tax forms as may be required by law, for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be responsible for setting up all necessary tax accounts and forwarding all payments to the appropriate government authorities. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

44. Upon the Court's entry of the Final Order, the Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search on all Aggrieved Employees to update the addresses of the Aggrieved Employees, (ii) issuing the Notice and payments to Plaintiff and the Aggrieved Employees, (iii) issuing any required IRS forms, (iv) issuing payment to the LWDA and Plaintiff's Counsel, and (v) handling uncashed checks and preparing declaration(s) for the Court regarding the disbursements.

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45. Within ten (10) calendar days after the Effective Date, the Settlement Administrator shall send Defense Counsel electronic wiring instructions to fund the Settlement Amount.

46. Aggrieved Employee List and Data: Within ten (10) calendar days after the Effective Date, Defendants will send to the Settlement Administrator the Aggrieved Employees List. This information shall be treated as and remain confidential and shall be used solely by the Settlement Administrator to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

47. Funding of the Settlement Amount: Defendants shall fund the Settlement Amount by the later of fifteen (15) calendar days after the Effective Date or October 1, 2025. Plaintiff's Individual Settlement Agreement shall be issued and delivered to Sirmabekian Law Firm, PC, 2600 W Olive Ave #549, Burbank, CA 91505. The remainder of the GSA shall be tendered to the Settlement Administrator. Time is of the essence with all Payments.

48. Disbursement of the Settlement Amount: No later than ten (10) calendar days after receipt of the Settlement Amount by Defendants, the Settlement Administrator shall mail or wire the Court-approved amounts to the Aggrieved Employees, LWDA, Plaintiff, and Plaintiff's Counsel, and will pay itself for the Settlement Administration Costs.

49. Aggrieved Employee Check Cashing Deadline: Aggrieved Employees shall have 180 calendar days after mailing to cash their settlement checks. If any Aggrieved Employee's check is not cashed within that period, the check will be voided, and a stop-payment will be issued. The release nevertheless will be binding regardless of whether an Aggrieved Employee cashes his or her check within the 180-day period. In the event that any settlement check is returned to the Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned settlement check, perform a skip trace to locate the individual, and notify Defense Counsel and Plaintiff's Counsel of the results. If a new address is located by these means, the Settlement

Administrator will have ten (10) business days to issue the check. Any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be issued to the California State Controller's Office in the name of the Aggrieved Employee. Neither Defendant, Defense Counsel, Plaintiff's Counsel, nor Plaintiff will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks, or failure to timely cash a settlement check within the 180-day period.

50. The Settlement Administrator will provide the Parties with a declaration confirming that distribution of payments has been completed in accordance with the Agreement and the Court's Final Order, within ten (10) business days of distributing all payments under the Settlement. Plaintiff's Counsel will file the declaration with the Court and any required papers (*i.e.*, amended Final Order and/or Judgment) or as otherwise ordered by the Court.

51. This Agreement is expressly conditioned upon the Court entering the Final Order, thereby disposing of the Action in its entirety. The Final Order and entry of judgment of dismissal will not release or bar any claims other than the Released PAGA Claims as to the Aggrieved Employees (except for Plaintiff), the LWDA, and the State of California.

E. <u>PAGA Release by Plaintiff, the State of California, and Aggrieved Employees</u>

52. Upon the Effective Date occurring and Defendants' funding of the Settlement Amount, Plaintiff, standing in the shoes of the Labor Commissioner/LWDA, the State of California, and the Aggrieved Employees, will forever completely release and discharge the Released Parties from the Released PAGA Claims. The time period governing the Released PAGA Claims shall be the PAGA Period.

53. The Proposed Order and Judgment in connection with this Settlement will seek dismissal with prejudice of the entire action.

54. It is the intent of the Parties that the Final Order entered by the Court shall have full equitable and collateral estoppel and *res judicata* effect to the fullest extent permitted by law. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also

on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order shall so reflect. Thus, in accordance with *Arias*, the Final Order shall be binding on Plaintiff and the Aggrieved Employees as to the Released PAGA Claims, including the PAGA Claims.

F. <u>Plaintiff's Release of All Claims</u>

55. Plaintiff, on behalf of himself and his dependents, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, shall and does hereby forever release, discharge and agree to hold harmless Defendants and the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs), known or unknown, at law or in equity, arising out of or in any way connected with his employment with Defendants and the termination thereof, including the Released PAGA Claims, claims that were asserted or could have been asserted in the Action or Complaint (or a separate action or complaint), and any and all transactions, occurrences, or matters between the Parties occurring prior to the date this Agreement is fully executed. Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under: (a) the Americans with Disabilities Act; (b) Title VII of the Civil Rights Act of 1964; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981; (e) the Age Discrimination in Employment Act; (f) the Fair Labor Standards Act; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and any and all claims based on constitutional, statutory, common law, or regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or

implied contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of emotional distress, negligent infliction of emotional distress, or damages under any other federal, state, or local statutes, ordinances, regulations, rules, or laws. This release is for any and all relief, no matter how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless Defendants and the Released Parties from any and all claims for attorney fees and costs arising out of the matters released in this Agreement.

Plaintiff specifically acknowledges that he is aware of and familiar with the provisions of California 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."

This Release also does not extend to any worker's compensation claims, or related relief, that Plaintiff may have against Defendants and any of its related entities.

56. Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and relinquish all rights and benefits he may have under California Civil Code section 1542 as well as any other statutes or common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those which they now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but agrees that, upon his execution of this Agreement, Plaintiff hereby fully, finally, and forever settles and releases any and all claims against Defendants and the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

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G. Additional Settlement Terms and Conditions

57. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after extensive trial preparation and arm's-length negotiations by experienced counsel.

58. Denial of Liability. The Parties expressly recognize that the making of this Agreement does not in any way constitute an admission or concession of liability, culpability, negligence or wrongdoing on the part of Defendants or any of the other Released Parties. The Parties hereto have entered into this Settlement with the intention of avoiding further disputes and litigation with the attendant risk, inconvenience and expenses. Nothing in this 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 this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other 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. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

59. Neutral Reference: Defendants agree to provide a neutral reference, limited to Plaintiff's dates of employment and job title.

60. No Credit Toward Benefit Plans. Payments to Aggrieved Employees will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

61. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

62. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve the Settlement as provided herein or as may be amended by the Parties by mutual agreement, in the event that the Court does not approve it; or (ii) the Settlement does not become final for any other reason, then this Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

63. Judgment/Dismissal and Continued Jurisdiction. The Parties agree that after entry of the Final Order, the Court shall retain jurisdiction over the Parties, the Action, and the Settlement, pursuant to CCP Section 664.6 and as otherwise allowed by law, to ensure the continuing implementation of the provisions of this settlement, including (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-approval matters as may be appropriate under court rules or as set forth in this Settlement.

64. Entire Agreement. This Agreement constitutes the entirety of the Parties' settlement terms of the claims released herein. All prior or contemporaneous agreements, understandings, representations and statements, whether oral or written and whether by a Party of such Party's legal counsel, are merged herein.

65. Amendment or Modification. This Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

66. Authorization to Enter Into Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and 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 required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with

each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the mediator, Kevin Barnes, and/or the Court to resolve such disagreement.

67. Binding on Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

68. California Law Governs. All terms of this Agreement will be governed by and interpreted according to the laws of the State of California, regardless of its conflict of laws.

69. Execution and Counterparts. This Agreement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument. Electronic signatures shall have the same force and effect as an original.

70. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable, and consistent with the intent of this Agreement based on the language and terms used herein.

71. Captions. The captions and section and paragraph numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Agreement.

72. Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

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73. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

74. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

75. Representation By Counsel. The Parties acknowledge that they have been represented by competent counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel, and reviewed in full.

76. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

77. 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:

Sarkis Sirmabekian (SBN 278588)
contact@slawla.com
SIRMABEKIAN LAW FIRM, PC
2600 W Olive Ave #549
Burbank, CA 91505

To Defendant:

PHILIP J. AZZARA (SBN 239126)
pazzara@fisherphillips.com
ARTHUR L. RAMIREZ (SBN 345336)
aramirez@fisherphillips.com
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614

5/21/2026

Dated: May _____, 2026

DocuSigned by:

190B6CDE85414AA...

Samuel J. Lanzagortha, Plaintiff, on Behalf of Himself, Aggrieved Employees, and the State of California

Dated: May 18, 2026

CSC Auto Salvage and Dismantling, Inc., Defendant
By: Scott Sakajian
Its: owner

Dated: May 18, 2026

Express Metals Recycling IC-DISC, Inc., Defendant
By: Scott Sakajian
Its: owner

Dated: May 18, 2026

Scott B. Sarkajian
Defendant

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APPROVED AS TO FORM BY COUNSEL

Dated: May 20, 2026

Sarkis Sirmabekian
Grigor Gregg Sirmabekhian
SIRMABEKIAN LAW FIRM, PC
Counsel for Plaintiff, Aggrieved Employees, and the State of California

Dated: May 19, 2026

Philip J. Azzara
Arthur L. Ramirez
FISHER & PHILLIPS LLP
Counsel for Defendants