Private Attorneys General Act (Cal. Lab. Code § 2698, *et seq.*) Settlement Agreement

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the PAGA Released Claims shall be settled and resolved subject to the following terms and conditions set forth in this Private Attorneys General Act (Cal. Lab. Code § 2698, *et seq*.) Settlement Agreement ("Settlement Agreement"), entered by and between Plaintiff MARLON MONTENEGRO ("Plaintiff"), for himself and on behalf of the State of California and other Aggrieved Employees pursuant to the California Private Attorneys General Act, on the one hand; and Defendants TED JONES FORD, INC. dba KEN GRODY FORD and KEN GRODY REDLANDS, LLC dba KEN GORDY FORD REDLANDS (together, "Ken Grody" or "Defendants"), on the other hand. Plaintiff and Defendants are collectively referred to herein as the "Parties."

This Settlement Agreement shall be effective upon the date of the Court order approving the settlement and entering judgment thereon (the "Effective Date").

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the complaint Plaintiff filed on November 5, 2024 in San Bernardino County Superior Court, Case No. CIVSB2433434, alleging claims for civil penalties under the Private Attorneys General Act, Labor Code § 2698 *et seq.* ("PAGA") predicated on Defendants' alleged violations of the California Labor Code.

2. "Aggrieved Employees" means all current and former non-exempt employees of Defendants working in California at anytime during the PAGA Period.

3. "Court" or means the Superior Court of California for the County of San Bernardino.

4. "Defense Counsel" or "Counsel for Defendants" are Jeffrey Thurrell and Ashton M. Riley of Fisher & Phillips LLP, 2050 Main Street, Suite 1000, Irvine, CA 92614.

5. "Employee PAGA Portion" is the aggregate amount to be distributed to the Aggrieved Employees, which shall consist of thirty-five percent (35%) of the Net Settlement Amount as provided in Section III.3 herein.

6. "Employee Payments" refers to the individual payments that will be distributed to Aggrieved Employees, as provided in Section III.3 herein.

7. "Gross Settlement Amount" is the sum of Seven Hundred Thousand Dollars ($700,000.00), which represents the total amount payable under this Settlement Agreement by Defendants (subject to the Escalator Provision, Section III.13 below), and includes the Employee PAGA Portion payable to Aggrieved Employees, LWDA Payment payable to the LWDA, Court-awarded Attorneys' Fees (not to exceed 35% of the Gross Settlement Amount, currently

estimated to be $245,000.00) to Plaintiff's Counsel, Court-awarded Litigation Costs (not to exceed $30,000.00) to Plaintiff's Counsel, Court-award incentive payment to Plaintiff, and a Court-awarded payment to the Settlement Administrator for Settlement Administration Costs (not to exceed $7,000.00).

8. "LWDA" means the California Labor and Workforce Development Agency.

9. "LWDA Payment" means the amount to be paid to the LWDA, which is sixty-five percent (65%) of the Net Settlement Amount as set forth in Section III.3 herein.

10. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts are subtracted from the Gross Settlement Amount: (a) Attorneys' Fees to Plaintiff's Counsel; (b) Litigation Costs to Plaintiff's Counsel; (c) Plaintiff's Incentive Payment; and (d) Settlement Administration Costs to Settlement Administrator.

11. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. "PAGA Notice" means the notice letter that Plaintiff submitted to the LWDA and certified-mailed to Defendants on August 28, 2024.

13. "PAGA Period" means the time period from August 28, 2023 through January 17, 2026.

14. "PAGA Released Claims" means the PAGA claims alleged in the Complaint, or that reasonably could have been alleged based on the facts stated in the Complaint and in the PAGA Notice, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (5) failure to provide accurate itemized wage statements, (6) failure to timely pay all final wages due at the end of employment, (7) failure to maintain accurate records, (8) failure to reimburse all necessary business expenditures, and (9) all other claims for civil penalties recoverable under the PAGA based on the facts or claims alleged in the PAGA Notice and Complaint, arising from Aggrieved Employees' employment with Defendants during the PAGA Period.

15. "Plaintiff's Counsel" means Tuvia Korobkin, Esq., Gary S. Brotman, Esq., and Alex Purcell, Esq. of Marquee Law Group, APC, 9100 Wilshire Blvd., Suite 445 East, Beverly Hills, CA 90212.

16. "Released Parties" means Defendants and their parents, subsidiaries, directors, owners, shareholders, officers, and attorneys, past and present, and each of them acting in concert with the foregoing.

17. "Settlement Administrator" means Phoenix Settlement Administrators, a third-party administrator who shall administer the settlement, subject to approval by the Court, in accordance with this Settlement Agreement.

18. "Settlement Administration Costs" means the amount to be paid to the Settlement Administrator for its services, currently estimated not to exceed $7,000.00.

II. RECITALS

1. On August 28, 2024, Plaintiff provided written notice to the LWDA and Defendants asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of California Labor Code sections 201-204, 226, 226.2, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 1199, 2802.

2. On November 5, 2024, Plaintiff filed the Action in the Superior Court of California, County of San Bernardino, entitled *Marlon Montenegro v. Ted Jones Ford, Inc. dba Ken Grody Ford, et al,* alleging the Labor Code violations mentioned above and seeking civil penalties under PAGA.

3. The Parties subsequently agreed to attend private mediation. On November 10, 2025, the Parties participated in a mediation with Monique Ngo-Bonnici, Esq. of Signature Resolution. In preparation for the mediation, Defendants' counsel provided sample timekeeping and payroll data, as well as other relevant data and information for the Aggrieved Employees, and other relevant documents. With Ms. Ngo-Bonnici's assistance, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff, the State of California, and the Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiff that his claims do not have merit or by Defendants of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendants specifically disclaim any such liability or wrongdoing. Nor will any of the foregoing be used 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 this settlement or any orders or judgments of the Court entered into in connection therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount**. Defendant shall pay $700,000.00 as the Gross Settlement Amount (subject to the Escalator Provision, Section III.13 below). Defendants shall pay the Gross Settlement Amount no later than 30 days after the Effective Date. Defendants shall

make this payment to the Settlement Administrator, and the Settlement Administrator shall hold the payment in escrow pending disbursement.

3. **Net Settlement Amount**. The Parties agree that the Net Settlement Amount shall be distributed to the LWDA and Aggrieved Employees as follows: Sixty-five percent (65%) of the Net Settlement Amount shall be distributed to the LWDA (i.e., the LWDA Payment) and thirty-five percent (35%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees on a *pro rata* basis, based on their respective number of pay periods worked for Defendants during the PAGA Period. As noted above, payments to Aggrieved Employees of their share of the Net Settlement Amount shall be referred to as "Employee Payments." Each Aggrieved Employee will be paid a non-wage check for his/her Employee Payment, and each Aggrieved Employee will receive an IRS Form 1099 for said payment.

4. **Attorneys' Fees Payment and Litigation Costs Payment**. Defendants will not oppose Plaintiff's request for an award of attorneys' fees in the amount up to 35% of the Gross Settlement Amount (currently estimated to be $245,000.00) ("Attorneys' Fees") and litigation costs and expenses in the amount up to $30,000.00 incurred in prosecuting Plaintiff's claims ("Litigation Costs"), to Plaintiff's Counsel. In the event the Court approves payment(s) of lesser amounts for Attorneys' Fees and/or for Litigation Costs to Plaintiff's Counsel, the difference will be a part of the Net Settlement Amount. The Attorneys' Fees and Litigation Costs payments will be reported on an IRS Form 1099 issued to Plaintiff's Counsel.

5. **Incentive Award to Plaintiff**. Defendants will not oppose Plaintiff's request for an Incentive Award of up to $10,000.00 from the Gross Settlement Amount. In the event the Court approves a payment of a lesser amount for Plaintiff's Incentive Award, the difference will be a part of the Net Settlement Amount. The Incentive Award payment will be reported on an IRS Form 1099 issued to Plaintiff.

6. **Settlement Administration Costs**. Defendants will not oppose Plaintiff's request for payment in the amount up to $7,000.00 to the Settlement Administrator for administering the settlement. In the event the Court approves a payment of less than $7,000.00 for Settlement Administration Costs, the difference will be a part of the Net Settlement Amount. Settlement Administration Costs will be reported on an IRS Form 1099 issued to the Settlement Administrator.

7. **PAGA Released Claims**. Upon the Effective Date and the Gross Settlement Amount being fully funded, Plaintiff, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims defined in Section I.14 herein. This release of claims only covers those civil penalties which are recoverable under PAGA, and does not otherwise cover individual, underlying claims or causes of action that Aggrieved Employees may have under the law against Released Parties for violations of the California Labor Code. Nor do the PAGA Released Claims cover any claims arising outside the PAGA Period.

8. **Limited Disclosure and No Publicity**. Except as provided below, and except to the extent necessary to effectuate the settlement or as required by the PAGA statute, a court of law, or legal process, neither Plaintiff nor Plaintiff's Counsel will publicize the terms of this

Settlement Agreement, unless ordered by the Court, prior to the filing of this Settlement Agreement with the Court. Nothing shall prevent Plaintiff's Counsel, after the settlement has been approved by the Court, from including a description of the settlement on their website, from referring generally to this Settlement in marketing material without mentioning Defendants by name (e.g., "$700,000 PAGA settlement on behalf of auto workers"), or from referring to this settlement in a declaration establishing their qualifications in future cases.

9. **Testimony in Other Proceedings.** This Settlement Agreement does not waive a Party's right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual assault or sexual harassment on the part of the other Party to the Settlement Agreement, or on the part of the agents or employees of the other Party, when the Party has been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature. Additionally, notwithstanding anything in this Settlement Agreement to the contrary, this Settlement Agreement does not prevent the disclosure of factual information related to a claim filed in a civil action, or a complaint filed in an administrative action, regarding any act of sexual assault; sexual harassment; workplace harassment; any type of discrimination; or other conduct that Plaintiff has reasonable cause to believe is unlawful; failure to prevent an act of workplace assault or harassment, any type of discrimination, or other conduct that Plaintiff has reasonable cause to believe is unlawful; or retaliation against a person for reporting assault or harassment, any type of discrimination, or other conduct that Plaintiff has reasonable cause to believe is unlawful. Finally, notwithstanding anything in this Settlement Agreement to the contrary, nothing in this Settlement Agreement prevents Plaintiff from discussing or disclosing information about unlawful acts in the workplace, such as assault, harassment or discrimination or any other conduct that Plaintiff has reason to believe is unlawful.

10. **Filing of Motion or Joint Stipulation of Settlement by Plaintiff's Counsel**. Plaintiff's Counsel shall be responsible for preparing a Motion for PAGA Settlement Approval. Plaintiff's Counsel will serve the Motion or Stipulation on Defendant's Counsel and will submit the Settlement Agreement to the LWDA pursuant to the requirements of the PAGA. 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. Plaintiff agrees to provide notice to the Labor and Workforce Development Agency ("LWDA") of this settlement in accordance with the PAGA.

11. **Termination of Settlement Agreement**. If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, or the settlement does not become final for any other reason, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement Agreement, in which case it shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement. However, prior to exercising the right to terminate the Settlement Agreement, the Parties must meet and confer in good faith in order to obtain Court approval, including to cure any defects identified by the Court.

12. **Judgment/Administrator Declaration**. This Settlement Agreement is expressly conditioned upon the Court entering judgment on the Settlement. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff, Aggrieved Employees, and the State of California. The Settlement Administrator will provide the Parties with a declaration confirming that distribution of payments has been completed in accordance with the Settlement Agreement and the Court's order(s), within ten (10) business days of distributing all payments under the settlement. Plaintiff's Counsel will file the declaration with the Court within ten (10) business days of receipt or as otherwise ordered by the Court.

13. **Escalator Clause**. Defendants represent that there is a total of approximately 17,266 pay periods worked by Aggrieved Employees from the beginning of the PAGA Period through November 10, 2025. This is a material representation for Plaintiff to enter into this Agreement. If the total number of pay periods worked by Aggrieved Employees during the PAGA Period exceeds 17,266 by more than 10% (i.e., if it exceeds 18,993 pay periods), then Defendants shall have the option of either: (a) increasing the Gross Settlement Amount apportioned by the percentage increase in the number of pay periods over 10% (e.g., if the actual number of pay periods worked by Aggrieved Employees during the PAGA Period is 11% greater than 17,266, then the Gross Settlement Amount will increase by 1%); or (b) rolling back the end date of the PAGA Period to the date in which 18,993 pay periods is met and this Escalator Clause is no longer triggered. If the end of the PAGA Period is rolled back under the latter option, then the Notice to Aggrieved Employees will reflect the revised end date of the PAGA Period.

14. **No opt out rights**. Pursuant to *Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476 (2020), Aggrieved Employees do not have the right to "opt out" of this settlement. If this settlement is approved and the Gross Settlement Amount is fully funded, each Aggrieved Employee will receive his or her individual Employee Payment as indicated above, and will release the PAGA Released Claims as described above.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator**. The Parties have mutually selected Phoenix Settlement Administrators to handle the administration of this settlement, subject to approval by the Court.

2. **Notice to Aggrieved Employees**.

a. No later than ten (10) Court days after the Effective Date, Defendants shall provide the Settlement Administrator with a list of the Aggrieved Employees (the "Aggrieved Employees List"). The Aggrieved Employees List shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, start date(s) of employment, end date(s) of employment, total pay periods worked for Defendants in California during the PAGA Period, and Social Security number. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court's orders. Defendants will in good faith compile from its records the Aggrieved Employees List and provide it to the Settlement Administrator in a computer-readable format, such as a Microsoft Excel spreadsheet.

b. No later than ten (10) Court days after receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will (i) calculate each Aggrieved Employee's payment, (ii) send its payment calculations to Plaintiff's Counsel and Defense Counsel, (iii) obtain approval from counsel of the calculations, and mail the Employee Payments under cover letter, substantially in the form attached hereto as "**Exhibit A**" ("Cover Letter"), to each of the Aggrieved Employees identified on the Aggrieved Employees List. Prior to mailing the Cover Letter, the Settlement Administrator shall check the addresses provided in the Aggrieved Employees List using the United States Postal Service's National Change of Address database, and update the addresses for known address changes. Should any of the mailings to the Aggrieved Employees of their Cover Letter and Employee Payments be returned to the Settlement Administrator after mailing, the Settlement Administrator will have five (5) Court days after it receives the returned undeliverable mail to search for a more current address for the Aggrieved Employee (via a skip trace or other reasonable method) and re-mail the Cover Letter and Employee Payments once to any alternative or updated address obtained by the Settlement Administrator.

3. **Deposit and Distribution of Gross Settlement Amount**.

a. Defendants shall fund the Gross Settlement Amount per the terms of this Settlement Agreement into a settlement account established by the Settlement Administrator, for administration and distribution in accordance with this Settlement Agreement and the Court's orders.

b. The Settlement Administrator shall distribute payments for the Attorneys' Fees, the Litigation Costs, the Settlement Administration Costs, the Incentive Payment, the Employee Payments to Aggrieved Employees, and the LWDA Payment within ten (10) Court days after the Gross Settlement Amount is fully funded and after receiving approval from counsel of the payments calculations, as described above. All payments provided for by this Settlement Agreement shall be made by the Settlement Administrator in accordance with this Settlement Agreement and the Court's order and judgment approving this settlement.

c. Each Aggrieved Employee will be issued one check for his or her Employee Payment, which will expire one hundred eighty (180) calendar days from the date the checks are issued by the Settlement Administrator. After the 180-day period, the Settlement Administrator shall cancel all checks that have not been cashed or deposited and remit funds associated with such canceled checks to the State Controller's Office, Unclaimed Property Division, in the name associated with each Aggrieved Employee whose Employee Payment checks are canceled.

V. MISCELLANEOUS PROVISIONS

1. **No Impact on Employee Benefit Plans**. Neither the Settlement Agreement nor any amounts paid to any Aggrieved Employee or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored

benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any benefit plan, policy, or bonus program. Defendants retain the right, if necessary, to modify the language of their benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

2. **Tax Consequences**. Plaintiff and each Aggrieved Employee 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, Defendant, Plaintiff's Counsel, and Defendant's Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such.

3. **Governing Law**. This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or motion is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the Court (i.e., Superior Court of the State of California, County of San Bernardino). The prevailing party in any such action or motion shall be entitled to recover that party's reasonable attorneys' fees and costs incurred in connection with the action or motion.

4. **Entire Agreement**. This Settlement Agreement constitutes the entirety of the Parties' settlement terms regarding the PAGA Released Claims. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Released Claims.

5. **Judgment and Continued Jurisdiction**. The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

6. **Amendment or Modification**. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or by counsel for all Parties, subject to approval by the Court.

7. **Authorization to Enter into Binding Settlement Agreement**. Defendants represent and warrant that the undersigned has the authority to act on behalf of Defendants and to bind Defendants to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind him to the terms and conditions of this Settlement Agreement. Counsel for all Parties warrant and represent that they are authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement 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 settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.

8. **Binding on Successors and Assigns**. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto.

9. **Execution and Counterparts**. This Settlement 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.

10. **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable**. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the PAGA Released Claims, and have arrived at this settlement after arm's-length negotiations by experienced counsel. 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. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement 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 Settlement Agreement.

11. **Invalidity of Any Provision**. Before declaring any provision of this Settlement 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 Settlement Agreement valid and enforceable.

12. **Severability**. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, provided that the essential terms and conditions of this Settlement Agreement for each Party remain valid, binding and enforceable, the remaining portions of this Settlement Agreement will continue to be valid, and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed

amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **No Waiver**. No waiver of any condition or covenant contained in this Settlement 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.

14. **Cooperation and Execution of Necessary Documents**. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement 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 mediator, Monique Ngo-Bonnici, and/or the Court to resolve such disagreement.

IN WITNESS THEREOF, the Parties each acknowledge that he/she/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF:

Dated: 2/13/2026

By: DocuSigned by: Marlon Montenegro
D6ED01C5ADBA465...
Marlon Montenegro

DEFENDANTS:

TED JONES FORD, INC. dba KEN GRODY FORD

Dated: 03/03/2026

William G Raymond
William G Raymond (Mar 3, 2026 15:45:13 PST)
By: William Raymond, CFO

KEN GRODY REDLANDS, LLC dba KEN GRODY FORD REDLANDS

Dated: 03/03/2026

William G Raymond
William G Raymond (Mar 3, 2026 15:45:13 PST)
By: William Raymond, CFO

APPROVED AS TO FORM:

MARQUEE LAW GROUP, APC

Dated: 2/13/2026

By: Signed by: Tuvia Korobkin
A536AA1D0ED241F...
Tuvia Korobkin, Esq.
Attorneys for Plaintiff

FISHER & PHILLIPS LLP

Dated: March 4, 2026 By: ______________________

Jeffrey Thurrell, Esq.
Ashton M. Riley, Esq.
Attorneys for Defendants

EXHIBIT A

Re: Payment from *Marlon Montenegro v. Ted Jones Ford, Inc. dba Ken Grody Ford, et al*
Case No. CIVSB2433434

Date: ____________

<<SIMID>>
<<NAME>>
<<ADDRESS>>

Dear <<NAME>>:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Marlon Montenegro v. Ted Jones Ford, Inc. dba Ken Grody Ford, et al* (the "Action").

The Action against Ted Jones Ford, Inc. dba Ken Grody Ford and Ken Grody Redlands LLC dba Ken Grody Ford Redlands ("Ken Grody") includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, et seq. ("PAGA"). The Action was brought by Plaintiff Marlon Montenegro ("Plaintiff"), a former employee of Ken Grody, on behalf of the State of California and other allegedly aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiff claimed that Ken Grody owed civil penalties under PAGA for alleged violations of the California Labor Code. The parties have reached a settlement of Plaintiff s claims, and on <<DATE>>, the Court approved the parties' PAGA settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Ken Grody who were allegedly affected by the alleged violations of the Labor Code. In agreeing to this settlement, Ken Grody does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiff s claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Ken Grody, your decision to cash the check will not affect your employment.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in Plaintiff's PAGA Notice and in the Action, including claims for civil penalties for Ken Grody's alleged (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest periods, (5) failure to provide accurate itemized wage statements, (6) failure to timely pay all final wages due at the end of employment, (7) failure to maintain accurate records, (8) failure to reimburse all necessary business expenditures, and (9) all other claims for civil penalties recoverable under the PAGA based on the facts or claims alleged in the PAGA Notice and Complaint, arising from Aggrieved Employees' employment with Ken Grody during the time period of August 28, 2023 through <<END OF PAGA PERIOD>> (the "PAGA Period").

If you have any questions, you can contact Phoenix Class Action Administrators, the Settlement Administrator, at _____-______-______