<u>Memorandum of Understanding</u>

Subject to final approval by the Superior Court of California ("the Court"), and with the provision that this Memorandum of Understanding ("the MOU") will be further memorialized in a formal written agreement to be called a "Joint Stipulation of PAGA Settlement and Release" ("the Joint Stipulation") to be drafted by counsel for Claimant Boris Khodjamirian ("Claimant") and Respondent Sixt Rent a Car, LLC ("Respondent") (collectively "the Parties"). The Parties, by and through their respective counsel of record, hereby agree to the following binding settlement ("the Settlement") of the threatened action entitled *Boris Khodjamirian adv. Sixt Rent a Car, LLC*, Case No. LWDA-CM-1064627-24, set forth in Claimant's Letter to Respondent and the LWDA providing notice of Claimant's threatened claims against Respondent, dated December 2, 2024 ("the PAGA Notice"). Respondent denies all liability to Claimant and the Aggrieved Employees with respect to any of the claims alleged in the PAGA Notice or released herein, and nothing in this MOU shall be construed as or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Respondent.

1. Definitions:

1.1. <u>"Aggrieved Employees"</u>: All current and former non-exempt employees of Respondent who worked for Respondent in California at any time during the PAGA Period.

1.2. <u>"PAGA Period"</u>: May 19, 2024, through April 1, 2025 ("the PAGA Action").

2. Settlement Consideration: Respondent will be obligated to pay a non-reversionary Gross Settlement Amount of THIRTY-FIVE THOUSAND DOLLARS AND ZERO CENTS ($35,000.00) ("Gross Settlement Amount"), inclusive of payments to the Aggrieved Employees, the California Labor and Workforce Development Agency ("LWDA"), Attorneys' Fees and Costs, and the Settlement Administrator's fees and expenses. After deducting the Attorneys' Fees and Costs and the Settlement Administrator's fees and expenses, the Net Settlement Amount shall be allocated pursuant to PAGA as follows: (i) 65% of the Net Settlement Amount shall be paid to the LWDA ("LWDA Payment"); and (ii) 35% of the Net Settlement Amount shall be paid to all the Aggrieved Employees allocated based on the proportionate share of pay periods compared to all pay periods worked by the Aggrieved Employees over the PAGA Period ("the Aggrieved Employees' Share").

3. Funding: The Gross Settlement Amount will be funded on the Effective Date, defined as: the 65th day following entry of PAGA Approval/Judgment (provided no appeal is filed), or if an appeal to the Judgment is filed, the Gross Settlement Amount will be funded within five (5) business days after the Judgment is affirmed and the appellate proceeding opposing the Settlement has been finally dismissed with no material change to the terms of the Settlement with no right to pursue further remedies or relief ("the Effective Date").

4. Release of PAGA Claims: The claims released by the Aggrieved Employees ("Released PAGA Claims") are all claims for PAGA penalties that were alleged, or reasonably could have been alleged, during the PAGA Period, based on the facts stated in the PAGA Notice, as well as those stated in the subsequent PAGA Action, including, but not limited to, claims for violations of Labor Code sections 201, 202, 203, 204, 204(a), 226, 226.7, 510, 512, 558, 1174, 1194, 1198, 2698, *et seq*., 2699, 2802 and the Industrial Welfare Commission Wage Orders, against Respondent, its subsidiaries, parents, predecessors, successors, affiliates, related entities (hereinafter collectively referred to as "the Releasees").

5. Release of Claimant's Claims, Filing of the Lawsuit, and the Motion for Approval: As part of the Settlement, Claimant agrees to execute an individual settlement agreement and general release of his own claims, in favor of the Releasees, which shall include a release of all known and unknown claims under California Civil Code section 1542 and other standard and customary terms ("Individual General Release"). Prior to the Effective Date, Claimant shall not sue the Releasees for any other claims arising out of his employment.

Additionally, the Parties shall work together as necessary, in good faith and diligently, to effectuate the filing of the PAGA Action and the filing of the motion for approval of a settlement of the PAGA Action ("the Motion for Approval"). The Parties agree that the Motion for Approval will reflect, *inter alia*, that Respondent has taken "reasonable steps," as that term is defined by the 2024 PAGA reforms. To this end, Respondent will provide Claimant's counsel with a copy of the payroll audit that Respondent's counsel conducted, after the Parties have executed a settlement agreement that includes standard terms of California employment law settlement agreements. If, and only if, Claimant's counsel determines in good faith that the payroll audit was not conducted appropriately, Claimant may rescind the MOU.

6. Attorneys' Fees and Costs: Respondent will not oppose an application to the Court for attorneys' fees payable to Rahimi & Israel Law, APLC ("Claimant's Counsel") in the amount equal to 35% of the Gross Settlement Amount (which is TWELVE THOUSAND TWO HUNDRED FIFTY DOLLARS AND ZERO CENTS ($12,250.00)), plus out-of-pocket costs and expenses not to exceed eight thousand dollars ($8,000.00) ("Attorneys' Fees and Costs"), to be paid out of the Gross Settlement Amount. The Settlement Administrator (and not Respondent) shall issue IRS Form 1099 to Claimant's Counsel reflecting the awarded Attorneys' Fees and Costs. No other attorneys' fees or costs shall be due to any other counsel and Claimant's Counsel shall not seek further fees or costs associated with the PAGA Action.

7. Settlement Administration Expenses: The Parties agree to pay from the Gross Settlement Amount the Costs of Administration to a third-party Settlement Administrator chosen by the Parties and approved by the Court for its reasonable fees and expenses related to administering the Settlement.

8. Proportional Increase to Gross Settlement Amount: The Gross Settlement Amount was calculated with, and is premised on, the understanding that the Aggrieved Employees worked approximately 3,500 pay periods as of April 1, 2025. If the actual number of pay periods as of April 1, 2025 is greater than 10% more than the approximation of 3,500 pay periods, then the Gross Settlement Amount shall increase proportionately for each additional pay period beyond the 10% buffer.

9. Limitations and Purpose of MOU: The MOU is subject to the approval of the Court, pursuant to California Code of Civil Procedure section 382, *et seq*., and California Labor Code section 2699, *et seq*., and is made for the sole purpose of attempting to consummate settlement of the PAGA Action on a representative basis, subject to the terms and conditions set forth herein. The Parties agree to use their best efforts to schedule a hearing at which to seek approval of the Settlement so that the hearing occurs within sixty (60) calendar days of the date upon which the Parties execute the Joint Stipulation or, alternatively, to seek approval of the Settlement by way of stipulation and [proposed] order. If it is not possible to schedule a hearing on approval of the Settlement within sixty (60) calendar days of the date of the full execution of the Joint Stipulation, the Parties agree to schedule that hearing at the first available date thereafter. Should, for any reason, the Parties fail to execute the Joint Stipulation within 30 days of the execution of this MOU, the MOU shall be final, binding and enforceable pursuant to California Code of Civil Procedure section 664.6, and admissible pursuant to California Evidence Code section 1123. In the event the Court does not enter an order granting approval of the PAGA Settlement, or the conditions precedent are not met for any reason, the MOU and Joint Stipulation, as to the PAGA Settlement only, shall be void and of no force or effect whatsoever.

10. Binding Agreement: The Parties intend that the MOU shall be fully enforceable and binding upon the Parties, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might apply under federal or state law.

11. Enforcement: The MOU is binding and enforceable as a contract, and may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute but one and the same instrument. In the event of any dispute between the Parties to the MOU arising from any matter addressed by the MOU, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief to which that party may be entitled. This provision shall be construed as applicable to the entirety of the MOU.

IT IS SO STIPULATED.

Dated: 04/22/2025, 2025

Boris Khodjamirian (Apr 22, 2025 15:33 PDT)

BORIS KHODJAMIRIAN

Dated: ____________________, 2025

SIXT RENT A CAR, LLC

____

By: Thomas Kennedy

Title: Chief Executive Officer

APPROVED AS TO FORM:

Dated: ____________________, 2025

FISHER & PHILLIPS LLP

____

Lonnie D. Giamela
Kyle J. Ignatius
Attorneys for Respondent
SIXT RENT A CAR, LLC

Dated: April 21, 2025

RAHIMI & ISRAEL LAW, APLC

Gregory B. Wilbur
M. Ariel Rahimi
Attorneys for Claimant
BORIS KHODJAMIRIAN

(04.15.25) MOU - Khodjamirian adv. Sixt Rent a Car LLC

Final Audit Report 2025-04-22

Created:	2025-04-22
By:	Moshe Rahimi (arahimi@rahimiisraellaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAArqERkZWv5SXol6HiVQ5a2Z_QeNI9LfJv

"(04.15.25) MOU - Khodjamirian adv. Sixt Rent a Car LLC" History

Document created by Moshe Rahimi (arahimi@rahimiisraellaw.com)
2025-04-22 - 9:55:26 PM GMT

Document emailed to Boris Khodjamirian (boriskhodj@gmail.com) for signature
2025-04-22 - 9:55:30 PM GMT

Email viewed by Boris Khodjamirian (boriskhodj@gmail.com)
2025-04-22 - 10:33:33 PM GMT

Document e-signed by Boris Khodjamirian (boriskhodj@gmail.com)
Signature Date: 2025-04-22 - 10:33:50 PM GMT - Time Source: server

Agreement completed.
2025-04-22 - 10:33:50 PM GMT