

BIBIYAN LAW GROUP, P.C.

David D. Bibiyan (SBN 287811)

david@tomorrowlaw.com

Vedang J. Patel (SBN 328647)

vedang@tomorrowlaw.com

Brandon M. Chang (SBN 316197)

brandon@tomorrowlaw.com

1460 Westwood Boulevard

Los Angeles, California 90024

Tel: (310) 438-5555; Fax: (310) 300-1705

Attorneys for Plaintiff, STEVE MARTIN SALAS and
on behalf of himself and all others similarly situated

JACKSON LEWIS P.C.

James P. Carter (SBN 150052)

James.Carter@jacksonlewis.com

Nikki L. Wilson (SBN 218744)

Nikki.Wilson@jacksonlewis.com

Lauren B. Shelby (SBN 312879)

Lauren.Shelby@jacksonlewis.com

200 Spectrum Center Drive, Suite 500

Irvine, CA 92618

Phone: (949) 885-1360

Attorneys for Defendant ALL AMERICAN RACERS, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

STEVE SALAS, an individual and on behalf
of all others similarly situated,

Plaintiff,

v.

ALL AMERICAN RACERS, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendant.

CASE NO.: 30-2023-01351412-CU-OE-
CXC

[Assigned for all purposes to Hon. Randall
J. Sherman in Dept. CX105]

**CLASS AND PAGA SETTLEMENT
AGREEMENT**

Action Filed: September 27, 2023

Trial Date: None Set

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Steve Salas (“Plaintiff”) and defendant All American Racers, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS

1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant, captioned *Steve Salas v. All American Racers, Inc.*, Case No. 30-2023-01351412-CU-OE-CXC, initiated on September 27, 2023, and pending in Superior Court of the State of California, County of Orange.

1.2. “Administrator” means ILYM Group, Inc. (“ILYM”), the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt, hourly-paid employee who worked for Defendant during the PAGA Period.

1.5. “Class” means all persons employed by Defendant in California and classified as a non-exempt, hourly-paid employee who worked for Defendant during the Class Period.

1.6. “Class Counsel” means David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group, P.C.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8. “Class Data” means Class Member identifying information in Defendant’s custody, possession, or control, including the Class Member’s (1) name; (2) last known address(es); (3) last known telephone number(s); (4) last known Social Security Number(s); and (5) the dates

of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)).

1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from September 27, 2019, through March 15, 2025.

1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of Orange.

1.16. “Defendant” means named Defendant All American Racers, Inc.

1.17. “Defense Counsel” means James P. Carter, Nikki L. Wilson, and Lauren B. Shelby of Jackson Lewis PC.

1.18. “Effective Date” means the later of: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21. “Final Judgment” means the Judgment entered by the Court based upon the Final Approval.

1.22. “Gross Settlement Amount” means \$1,650,000.00 (One Million Six Hundred Fifty Thousand Dollars and Zero Cents) which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8.1 below and any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and Administrator’s Expenses.

1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. “Judgment” means the judgment entered by the Court based upon Final Approval.

1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. “Operative Complaint” means the First Amended Complaint in the Action.

1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

1.32. “PAGA Period” means the period from September 27, 2022, through the end of the Class Period.

1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

1.34. “PAGA Notice” means plaintiff’s September 27, 2023, letter to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a).

1.35. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$165,000.00), allocated 25% to the Aggrieved Employees (\$41,250.00) and the 75% to the LWDA (\$123,750.00) in settlement of PAGA claims.

1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.37. “Plaintiff” means Steve Salas the named plaintiff in the Action.

1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.39. “Preliminary Approval Order” means the proposed Order granting Preliminary Approval and Approval of PAGA Settlement.

1.40. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.

1.42. “Released Parties” means: Defendant, and each of their former, present and future owners, parents, and subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, investors, agents,

predecessors, successors, assigns, accountants, insurers, reinsurers, attorneys, and/or legal representatives.

1.43. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.44. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 days beyond the Response Deadline has expired.

1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.46. “Workweek” means any week during which a Class Member worked for Defendant, for at least one day during the Class Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

2. RECITALS

2.1. On September 27, 2023, Plaintiff commenced this Action by filing a complaint against Defendant for: failure to pay overtime and minimum wages; failure to provide meal breaks, rest breaks, or compensation in lieu thereof; waiting time penalties; wage statement violations; failure to timely pay wages; failure to indemnify; violation of Labor Code section 227.3; and unfair competition (“Action”).

2.2. On September 27, 2023, Plaintiff provided a written notice pursuant to Labor Code section 2699.3 online and by certified mail, with return receipt requested, of Defendant’s alleged violation of various provisions of the Labor Code, to the California Labor and Workforce Development Agency (“LWDA”), as well as by certified mail, with return receipt requested, to Defendant (the “PAGA Notice”).

2.3. On December 7, 2023, after sixty-five (65) days had passed since Plaintiff filed the PAGA Notice, without any action by the LWDA with respect to the alleged Labor Code violations,

Plaintiff filed a First Amended Complaint in the Action, adding a claim for civil penalties under PAGA against Defendant for Labor Code violations alleged in the PAGA Notice.

2.4. Thereafter, the Parties agreed to exchange informal discovery and attend mediation.

2.5. Prior to mediation Plaintiff obtained, through informal discovery: (a) time and payroll records; (b) employee handbooks and policy documents; (c) class data points; and (d) all documents pertaining to Plaintiff available to Defendant.

2.6. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7. On January 13, 2025, the Parties participated in an all-day mediation presided over by Gig Kyriacou, Esq. The mediation was successful, and the Parties agreed to globally resolve all class and PAGA claims in the Action.

2.8. The Court has not granted class certification.

2.9. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8.1 below, Defendant promise to pay \$1,650,000.00 as the Gross Settlement Amount, unless increased pursuant to Paragraph 8.1 of this Agreement, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court

1 in the Final Approval:

2 3.2.1. To Plaintiff: A Class Representative Service Payment to Plaintiff of not more than
3 \$7,500.00 in addition to any Individual Class Payment and any Individual PAGA
4 Payment Plaintiff is entitled to receive as a Participating Class Member. Defendant will
5 not oppose Plaintiff's request for a Class Representative Service Payment that does not
6 exceed this amount. As part of the motion for Class Counsel Fees Payment and Class
7 Litigation Expenses Payment, Plaintiff will seek Court approval for any Class
8 Representative Service Payments prior to the Final Approval Hearing. If the Court
9 approves a Class Representative Service Payment less than the amount requested, the
10 Administrator will retain the remainder in the Net Settlement Amount. The
11 Administrator will pay the Class Representative Service Payment using IRS Form 1099.
12 Plaintiff assumes full responsibility and liability for employee taxes owed on the Class
13 Representative Service Payment.

14 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
15 of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 8.1 of
16 this Agreement, is currently estimated to be \$550,000.00 and a Class Counsel Litigation
17 Expenses Payment of not more than \$30,000.00. Defendant will not oppose requests for
18 these payments provided that they do not exceed these amounts. Plaintiff and/or Class
19 Counsel will endeavor to file a motion for Class Counsel Fees Payment and Class
20 Litigation Expenses Payment prior to the Final Approval Hearing. If the Court approves
21 a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less
22 than the amounts requested, the Administrator will allocate the remainder to the Net
23 Settlement Amount. Released Parties shall have no liability to Class Counsel or any
24 other attorney's fees and/or costs arising from any claim to any portion any Class
25 Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The
26 Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses
27 Payment using one or more IRS Form(s) 1099. Class Counsel assume full responsibility
28 and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel

Litigation Expenses Payment and hold Defendant harmless, and indemnify Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. There will be no additional charge of any kind to either the Settlement Class Members or request for additional consideration from Defendant for such work unless Defendant materially breaches this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach including, without limitation, moving the Court to enforce the Agreement. Should the Court approve a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall become a part of the Net Settlement Amount.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$7,650.00 except for a showing of good cause and as approved by the Court. To the extent the Administrator incurs expenses or the Court approves payment less than \$7,650.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS Form W-2. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS Forms 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

///

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$165,000.00 to be paid from the Gross Settlement Amount, with 75% (\$123,750.00) allocated to the LWDA PAGA Payment and 25% (\$41,250.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$41,250.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS Forms 1099.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 259 Class Members who collectively worked a total of 42,929 Workweeks, and 219 of Aggrieved Employees who worked a total of 10,146 PAGA Pay Periods.

4.2. Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the

Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform their duties under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 65 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 7 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments or the Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including

those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Office, Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASE OF CLAIMS

Effective upon entry of Judgment, the Order granting Final Approval of this Settlement, and on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff,

Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release only, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2. Class Released Claims: For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint including: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide

rest periods or compensation in lieu thereof; (5) failure to pay all wages due upon termination; (6) failure to provide accurate wage statements; (7) failure to timely pay wages during employment; (8) failure to indemnify; (9) violation of Labor Code section 227.3; and (10) engaging in unfair competition within the meaning of Business and Professions Code section 17200 arising out of Labor Code violations referenced in the Complaint. Class Released Claims include any claims alleged, or that reasonably could have been alleged, or relief sought, based on Labor Code, sections 200, 201, 202, 203, 204, 205.5, 210, 218.6, 226, 226.3, 226.7, 227.3, 245, 382, 510, 512, 558, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1199, 2802, 2810.5; Code of Civil Procedure, sections 1021.5, 1032; Civil Code, section 3287; Business and Professions Code, sections 17200–17208; and Code of Regulations, Title 8, section 11040.

5.3. Except as set forth in Section 5.2 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.4. PAGA Released Claims: For the duration of the PAGA Period and to the extent permitted by law, the LWDA, the State of California, and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, or pursuant to Labor Code, sections 96, 98.6, 201, 201.3, 202, 203, 204, 205.5, 210, 212, 213, 221, 223, 226, 226.3, 226.7, 227.3, 232, 232.5, 245, 404, 432, 432.3, 432.7, 432.8, 510, 512, 558, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198.5, 2698, 2699, 2699.3, 2802, 2810.5; Business and Professions Code, sections 16600, 16700, and 17200; Government Code, section 12952; and Code of Regulations, Title 8, section 11040.

///

///

///

1 **6. MOTION FOR PRELIMINARY APPROVAL**

2 The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion
3 for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary
4 Approvals.

5 6.1. Defendant’s Declaration in Support of Preliminary Approval. Within 7 days of full
6 execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed
7 declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or
8 potential conflicts of interest with the Administrator and Cy Pres Recipient.

9 6.2. Plaintiff’s Responsibilities. Plaintiff will prepare and endeavor to deliver to Defense
10 Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the
11 notice, and memorandum in support, of the Motion for Preliminary Approval that includes an
12 analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement
13 under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary
14 Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed
15 declaration from the Administrator attaching its “not to exceed” bid for administering the
16 Settlement and attesting to its willingness to serve; competency; operative procedures for
17 protecting the security of Class Data; amounts of insurance coverage for any data breach,
18 defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of
19 interest with Class Members; and the nature and extent of any financial relationship with
20 Plaintiff, Class Counsel, and/or Defense Counsel; (v) a signed declaration from Plaintiff
21 confirming willingness and competency to serve and disclosing all facts relevant to any actual or
22 potential conflicts of interest with Class Members; (v) a signed declaration from each Class
23 Counsel firm attesting to its competency to represent the Class Members; its timely transmission
24 to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section
25 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement
26 (Labor Code section 2699, subd. (l)(2))); and (vi) all facts relevant to any actual or potential
27 conflict of interest Plaintiff and/or Class Counsel may have with Class Members and/or the
28 Administrator.

6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by, in good faith, meeting, conferring, and resolving the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by, in good faith, meeting, conferring, modifying the Agreement, and otherwise satisfying the Court's concerns.

7. SETTLEMENT ADMINISTRATION

7.1. Selection of Administrator. The Parties agree ILYM is to serve as the Administrator and verify that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

///

1 7.4. Notice to Class Members.

2 7.4.1. No later than three (3) business days after receipt of the Class Data, the
3 Administrator shall notify Class Counsel that the list has been received and state the
4 number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the
5 Class Data.

6 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14
7 days after receiving the Class Data, the Administrator will send to all Class Members
8 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail,
9 the Class Notice with certified Spanish translation, substantially in the form attached to
10 this Agreement as Exhibit A. The first page of the Class Notice shall prominently
11 estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA
12 Payment payable to the Class Member, and the number of Workweeks and PAGA Pay
13 Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the
14 Administrator shall update Class Member addresses using the National Change of Address
15 database.

16 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice
17 returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
18 using any forwarding address provided by the USPS. If the USPS does not provide a
19 forwarding address, the Administrator shall conduct a Class Member Address Search,
20 and re-mail the Class Notice to the most current address obtained. The Administrator
21 has no obligation to make further attempts to locate or send Class Notice to Class
22 Members whose Class Notice is returned by the USPS a second time.

23 7.4.4. The deadlines for Class Members’ written objections, challenges to Workweeks
24 and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days
25 beyond the 45 days otherwise provided in the Class Notice for all Class Members whose
26 notice is re-mailed. The Administrator will inform the Class Member of the extended
27 deadline with any re-mailed Class Notice.

28 ///

7.4.5. If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously, and in good faith, meet and confer in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

///

1 7.5.3. Every Class Member who does not submit a timely and valid Request for
2 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled
3 to all benefits and bound by all terms and conditions of the Settlement, including the
4 Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement,
5 regardless of whether the Participating Class Member actually receives the Class Notice
6 or objects to the Settlement.

7 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
8 Non-Participating Class Member and shall not receive an Individual Class Payment or
9 have the right to object to the class action components of the Settlement. Because future
10 PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-
11 Participating Class Members who are Aggrieved Employees are deemed to release the
12 claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual
13 PAGA Payment.

14 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after
15 the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose
16 Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods
17 (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge
18 the allocation by communicating with the Administrator via mail. The Administrator must
19 encourage the challenging Class Member to submit supporting documentation. In the absence
20 of any contrary documentation, the Administrator is entitled to presume that the Workweeks
21 contained in the Class Notice are correct so long as they are consistent with the Class Data. The
22 Administrator's determination of each Class Member's allocation of Workweeks and/or Pay
23 Periods shall be final and not appealable or otherwise susceptible to challenge. The
24 Administrator shall promptly provide copies of all challenges to the calculation of Workweeks
25 and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination
26 on the challenges.

27 ///

28 ///

7.7. Objections to Settlement

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will maintain and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval, and the Final Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for

1 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
2 containing (a) the names and other identifying information of Class Members who have
3 timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and
4 other identifying information of Class Members who have submitted invalid Requests
5 for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted
6 (whether valid or invalid).

7 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
8 reports to Class Counsel and Defense Counsel that, among other things, tally the number
9 of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for
10 Exclusion (whether valid or invalid) received, objections received, challenges to
11 Workweeks and/or Pay Periods received and/or resolved, and checks mailed for
12 Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The
13 Weekly Reports must include provide the Administrator’s assessment of the validity of
14 Requests for Exclusion and attach copies of all Requests for Exclusion and objections
15 received.

16 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
17 address and make final decisions consistent with the terms of this Agreement on all
18 Class Member challenges over the calculation of Workweeks and/or Pay Periods. The
19 Administrator’s decision shall be final and not appealable or otherwise susceptible to
20 challenge.

21 7.8.5. Administrator’s Declaration. Before the date by which Plaintiff is required to file
22 the Motion for Final Approval of the Settlement, the Administrator will provide to Class
23 Counsel and Defense Counsel a declaration suitable for filing in Court attesting to its
24 due diligence and compliance with all of its obligations under this Agreement including,
25 but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
26 the re-mailing of Class Notices, attempts to locate Class Members, the total number of
27 Requests for Exclusion from Settlement it received (both valid or invalid), the number
28 of written objections, and the Exclusion List. The Administrator will supplement its

1 declaration as needed or requested by the Parties and/or the Court. Class Counsel is
2 responsible for filing the Administrator's declaration(s) in Court.

3 7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator
4 disburses all funds in the Gross Settlement Amount, the Administrator will provide
5 Class Counsel and Defense Counsel with a final report detailing its disbursements by
6 employee identification number only of all payments made under this Agreement. At
7 least 7 days before any deadline set by the Court, the Administrator will prepare, and
8 submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
9 Court attesting to its disbursement of all payments required under this Agreement. Class
10 Counsel is responsible for filing the Administrator's declaration in Court.

11 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**

12 Based on its records, Defendant estimates that, as of the date of mediation, January 13,
13 2025, (1) there are 259 Class Members and 42,929 Total Workweeks during the Class Period and
14 (2) there are 219 Aggrieved Employees who worked 10,146 Pay Periods during the PAGA
15 Period.

16 8.1. Increase in Workweeks. Defendant represents that there are no more than 42,929
17 Workweeks worked during the Class Period. In the event the number of Workweeks worked by
18 Class Members during the Class Period increases by more than 10% or 4,293 Workweeks, then
19 the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of
20 47,222 Workweeks. If the total number of Workweeks in the Class Period, as determined from
21 Defendant's payroll data, is ultimately determined to exceed 42,929 Workweeks by more than
22 10%, (*i.e.*, 47,222 Workweeks), then the Gross Settlement Amount shall be increased by the *pro*
23 *rata* percentage increase in excess of 10% over 42,929 Workweeks to include the additional
24 Workweeks (*e.g.*, a 12% increase in Workweeks would result in a 2%, or \$33,000.00, increase
25 in the Gross Settlement Amount).

26 **9. MOTION FOR FINAL APPROVAL**

27 Prior to the calendared Final Approval Hearing, Plaintiff will file in Court a motion for
28 final approval of the Settlement that includes a request for approval of the PAGA settlement

1 under Labor Code section 2699, subd. (l), a Proposed Final Approval Order, and a proposed
2 Judgment (collectively “Motion for Final Approval”). Plaintiff shall endeavor to provide drafts
3 of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class
4 Counsel and Defense Counsel will expeditiously, and in good faith, meet and confer to resolve
5 any disagreements concerning the Motion for Final Approval.

6 9.1. Response to Objections. Each Party retains the right to respond to any objection raised
7 by a Participating Class Member, including the right to file responsive documents in Court no
8 later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted
9 by the Court.

10 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
11 Approval on any material change to the Settlement (including, but not limited to, the scope of
12 release to be granted by Class Members), the Parties will expeditiously work together in good
13 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
14 Approval. The Court’s decision to award less than the amounts requested for the Class
15 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
16 Expenses Payment, Administrator Expenses Payment, and/or individual claims of plaintiff for
17 alleged wrongful termination shall not constitute a material modification to the Agreement within
18 the meaning of this paragraph.

19 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
20 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
21 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
22 and (iii) addressing such post-Judgment matters as are permitted by law.

23 9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
25 Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their
26 respective counsel, and all Participating Class Members who did not object to the Settlement as
27 provided in this Agreement waive all rights to appeal from the Judgment, including all rights to
28 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions

for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. AMENDED JUDGMENT

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

11. ADDITIONAL PROVISIONS

11.1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, Defendant

1 reserves all available defenses to the claims in the Action, and Plaintiff reserves the rights to
2 move for class certification on any grounds available and to contest Defendant' defenses. The
3 Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on,
4 and will not be admissible in connection with, any litigation (except for proceedings to enforce
5 or effectuate the Settlement and this Agreement).

6 11.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and
7 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
8 is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit
9 another person to disclose, disseminate, or publicize, any of the terms of the Agreement directly
10 or indirectly, specifically or generally, to any person, corporation, association, government
11 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
12 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
13 extent necessary to report income to appropriate taxing authorities; (4) in response to a court
14 order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
15 government agency. Each Party agrees to immediately notify each other Party of any judicial or
16 agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel,
17 Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any
18 conversation or other communication, before the filing of the Motion for Preliminary Approval,
19 any with third party regarding this Agreement or the matters giving rise to this Agreement except
20 to respond only that "the matter was resolved," or words to that effect. This paragraph does not
21 restrict Class Counsel's communications with Class Members in accordance with Class
22 Counsel's ethical obligations owed to Class Members.

23 11.3. No Solicitation. The Parties separately agree that they and their respective counsel and
24 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
25 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's
26 ability to communicate with Class Members in accordance with Class Counsel's ethical
27 obligations owed to Class Members.

28 ///

11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

11.6. Cooperation. The Parties and their counsel will cooperate with each other, in good faith, and use their best efforts to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

11.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

11.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed or agreed to by all Parties or their representatives and approved by the Court. Plaintiff and Defendant expressly agree that should the Parties agree to amend, modify, change, or waive this Agreement, or any

part of it, Class Counsel and Defense Counsel are authorized to submit to the Court any amendments of this Agreement, amended Agreements, or amendments to the Agreement, on behalf of the Parties once fully executed, which includes, but is not limited to, authorization of the use of signatures previously provided by the Parties.

11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the state of California, without regard to conflict of law principles.

11.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

11.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.17. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email which, for purposes of this Agreement,

shall be accepted as an original. All executed counterparts, and each of them, will be deemed to be one and the same instrument as if counsel for the Parties exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure, section 583.330, the date to bring a case to trial under Code of Civil Procedure, section 583.310, is extended through the Effective Date.

11.19. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

///

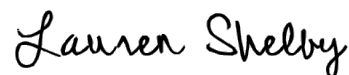
IT IS SO AGREED:



Plaintiff, Steve Salas

For Defendant, All American Racers, Inc.

AGREED AS TO FORM ONLY:



David D. Bibiyan
Vedang J. Patel
Counsel for Plaintiff

James P. Carter
Nikki L. Wilson
Lauren B. Shelby
Counsel for Defendant

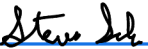
shall be accepted as an original. All executed counterparts, and each of them, will be deemed to be one and the same instrument as if counsel for the Parties exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure, section 583.330, the date to bring a case to trial under Code of Civil Procedure, section 583.310, is extended through the Effective Date.

11.19. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

///

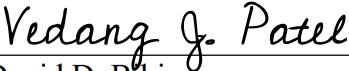
IT IS SO AGREED:


Steve salas (Apr 11, 2025 16:13 PDT)

Plaintiff, Steve Salas

For Defendant, All American Racers, Inc.

AGREED AS TO FORM ONLY:



David D. Bibiyan
Vedang J. Patel
Counsel for Plaintiff

James P. Carter
Nikki L. Wilson
Lauren B. Shelby
Counsel for Defendant