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18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

19 **IN AND FOR THE COUNTY OF KERN**

20 PASSION MORRIS, an individual, on behalf
21 of herself, and on behalf of all persons similarly
22 situated,

23 Plaintiffs,

24 v.

25 HABERFELDE FORD, a California
26 Corporation; JIM BURKE FORD LINCOLN,
27 an unknown business entity; and DOES 1
28 through 50, Inclusive,

Defendants.

Case No.: BCV-23-100471

[Action Filed February 14, 2023]

**STIPULATION OF SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between Plaintiff PASSION MORRIS (hereinafter “Plaintiff”), an individual, on
3 behalf of the Settlement Class, and in her representative capacity on behalf of the State of California
4 and the Aggrieved Employees, and Defendants HABERFELDE FORD and JIM BURKE FORD
5 LINCOLN (hereinafter “Defendant” or “Defendants”):

6 **I. DEFINITIONS**

- 7 A. “Action” shall mean the putative class action lawsuit designated *Morris v Haberfelde*
8 *Ford et al.*, Kern County Superior Court, Case No. BCV-23-100471, filed February
9 14, 2023.
- 10 B. “Administration Costs” shall mean the amount paid to the Settlement Administrator
11 from the Gross Settlement Amount for administering the Settlement pursuant to this
12 Agreement currently estimated not to exceed \$10,000.00.
- 13 C. “Aggrieved Employees” means all non-exempt employees who are or previously
14 were employed by Defendants, who performed work in California during the period
15 of February 12, 2023 through June 13, 2024 (the “PAGA Period”).
- 16 D. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
17 Class and PAGA Action and Release of Claims.
- 18 E. “Attorneys’ Expenses” means the award of expenses that the Court authorizes to be
19 paid to Class Counsel for the expenses they have incurred of up to \$25,000.00.
- 20 F. “Attorneys’ Fees” means the award of fees that the Court authorizes to be paid to
21 Class Counsel for the services they have rendered to Plaintiff and the Settlement
22 Class in the Action, currently not to exceed 35% of the Gross Settlement Amount
23 currently estimated to be \$525,000.00 out of \$1,500,000.00. Attorneys’ fees will be
24 divided between Class Counsel as follows (35% to Lawyers for Justice, PC, 32.5%
25 to JCL Law Firm, APC, and 32.5% to Zakay Law Group, APLC).
- 26 G. “Class” or the “Class Members” means all non-exempt employees who are or
27 previously were employed by Defendants, who performed work in California during
28 the period of February 14, 2019 through June 13, 2024 (the “Class Period”).

- 1 H. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC,
2 Shani Zakay of Zakay Law Group, APLC, and Edwin Aiwazian of Lawyers for
3 Justice, PC.
- 4 I. “Class Data” means information regarding Class Members that Defendants will in
5 good faith compile from its records and provide to the Settlement Administrator. It
6 shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
7 Member’s full name; last known address; Social Security Number; start dates and end
8 dates of employment.
- 9 J. “Class Period” means the period beginning February 14, 2019 through June 13, 2024.
- 10 K. “Class Representative” shall mean plaintiff Passion Morris.
- 11 L. “Court” means the Superior Court for the State of California, County of Kern
12 currently presiding over the Action.
- 13 M. “Defendants” shall mean Haberfelde Ford and Jim Burke Ford Lincoln.
- 14 N. “Effective Date” means the date of final approval if no objections are filed to the
15 settlement. If objections are filed and overruled, and no appeal is taken of the final
16 approval order, then the effective date of final approval will be the date the Court
17 enters the order and judgment granting final approval of the settlement. If an appeal
18 is taken from the Court’s overruling of objections to the settlement, then the effective
19 date of final approval will be twenty (20) days after the appeal is withdrawn or after
20 an appellate decision affirming the final approval decision becomes final.
- 21 O. “Enhancement Award” means an award in the amount of \$10,000.00 or in an amount
22 that the Court authorizes to be paid to the Class Representative, in addition to her
23 Individual Settlement Payment and her individual Aggrieved Employee Payment, in
24 recognition of her efforts and risks in assisting with the prosecution of the Action.
- 25 P. “Funding Date” shall mean the date by which Defendants have paid the entire Gross
26 Settlement Amount to the Claims Administrator in accord with the terms of this
27 Agreement. Defendants will pay the Gross Settlement Amount to the Settlement
28 Administrator thirty (30) calendar days after the Effective Date.

- 1 Q. “Gross Settlement Amount” means One Million Five Hundred Thousand Dollars and
2 Zero Cents (\$1,500,000.00) that Defendants must pay into the QSF in connection with
3 this Settlement, inclusive of the sum of Individual Settlement Payments,
4 Administration Costs, Attorneys’ Fees and Attorneys’ Expenses, Enhancement
5 Award, and the PAGA Penalties and *exclusive* of the employer’s share of payroll tax,
6 if any, triggered by any payment under this Settlement.
- 7 R. “Individual Settlement Payments” means the amount payable from the Net Settlement
8 Amount to each Settlement Class Member and excludes any amounts distributed to
9 Aggrieved Employees pursuant to PAGA.
- 10 S. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less
11 Attorneys’ Fees and Attorneys’ Expenses, Enhancement Award, PAGA Penalties,
12 and Administration Costs.
- 13 T. “Notice Packet” means the Class Notice to be provided to the Class Members by the
14 Settlement Administrator in the form set forth as **Exhibit A** to this Agreement (other
15 than formatting changes to facilitate printing by the Settlement Administrator).
- 16 U. “Operative Complaint” shall mean the First Amended Complaint filed in the Action.
- 17 V. “PAGA” means the California Labor Code Private Attorneys General Act of 2004,
18 Labor Code § 2698 *et seq.*
- 19 W. “PAGA Payment Ratio” means the respective Pay Periods during the PAGA Period
20 for each Aggrieved Employee divided by the sum total of the Pay Periods for all
21 Aggrieved Employees during the PAGA Period.
- 22 X. “PAGA Pay Periods,” for purposes of calculating the distribution of the Aggrieved
23 Employee Payment, as defined herein, means the number of pay periods of
24 employment during the PAGA Period that each Aggrieved Employee worked in
25 California. The Aggrieved Employees worked 8,625 PAGA Pay Periods during the
26 PAGA Period.
- 27 Y. “PAGA Period” means the period beginning February 12, 2023 through June 13,
28 2024.

1 Z. "PAGA Penalties" shall mean \$50,000.00 to be allocated from the Gross Settlement
2 Amount, with 25% of the payment going to the Aggrieved Employees ("Aggrieved
3 Employee Payment") and 75% of the payment going to the Labor and Workforce
4 Development Agency ("LWDA Payment"). The amount of the PAGA Penalties is
5 subject to Court approval pursuant to California Labor Code section 2699(l). Any
6 reallocation of the Gross Settlement Amount to increase the PAGA Penalties will not
7 constitute grounds by either party to void this Agreement, so long as the Gross
8 Settlement Amount remains the same.

9 AA. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
10 Plaintiff or Defendants, individually.

11 BB. "Payment Ratio" means the respective Workweeks for each Class Member divided
12 by the sum total Workweeks for all Class Members.

13 CC. "Plaintiff" shall mean Passion Morris.

14 DD. "QSF" means the Qualified Settlement Fund established, designated, and maintained
15 by the Settlement Administrator to fund the Gross Settlement Amount.

16 EE. "Released Class Claims" shall mean the release from the Class Members of all class
17 claims alleged in the operative complaint, or which could have been alleged in the
18 operative complaint based on the facts alleged, which occurred during the Class
19 Period, and expressly excluding all other claims, including claims for vested benefits,
20 wrongful termination, unemployment insurance, disability, social security, workers'
21 compensation, and class claims outside of the Class Period.

22 FF. "Released PAGA Claims" means all PAGA claims alleged in the operative complaint
23 in the Action and Plaintiff's PAGA notice to the LWDA which occurred during the
24 PAGA Period, and expressly excluding all other claims, including claims for vested
25 benefits, wrongful termination, unemployment insurance, disability, social security,
26 workers' compensation, and PAGA claims outside of the PAGA Period.

1 GG. "Plaintiff's Release" means all claims she has or may have against the Released
2 Parties (as defined below), including a waiver of any and all provisions of California
3 Civil Code section 1542.

4 HH. "Released Parties" shall mean Defendants.

5 II. "Response Deadline" means the date forty-five (45) calendar days after the Settlement
6 Administrator mails Notice Packets to Class Members and the last date on which
7 Class Members may submit requests for exclusion or objections to the Settlement.

8 JJ. "Settlement" means the disposition of the Action pursuant to this Agreement.

9 KK. "Settlement Administrator" means APEX Class Action LLC, 18 Technology Drive,
10 Ste. 164, Irvine, CA 92618; Tel: 1-800-355-0700; Fax: 1-949-878-3536. The
11 Settlement Administrator establishes, designates and maintains, as a QSF under
12 Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1, into
13 which the amount of the Gross Settlement Amount is deposited for the purpose of
14 resolving the claims of Settlement Class Members. The Settlement Administrator
15 shall maintain the funds until distribution in an account(s) segregated from the assets
16 of Defendants and any person related to Defendants. *All accrued interest shall be*
17 *paid and distributed to the Settlement Class Members as part of their respective*
18 *Individual Settlement Payment.*

19 LL. "Settlement Class Members" or "Settlement Class" means all Class Members who
20 have not submitted a timely and valid request for exclusion as provided in this
21 Agreement.

22 MM. "Workweeks" for purposes of calculating the distribution of the Net Settlement
23 Amount, means any seven (7) consecutive days beginning on Sunday and ending on
24 Saturday, in which a class member is employed by Defendants during the Class
25 Period in California.

26 **II. RECITALS**

27 A. On February 14, 2023, Plaintiff filed the Action, alleging claims for:

- 28 1. Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);

- 1 2. Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal
- 2 Period Premiums);
- 3 3. Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums);
- 4 4. Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid
- 5 Minimum Wages);
- 6 5. Violation of California Labor Code §§ 201 and 202 (Final Wages Not
- 7 Timely Paid);
- 8 6. Violation of California Labor Code § 204 (Wages Not Timely Paid During
- 9 Employment);
- 10 7. Violation of California Labor Code § 226(a) (Non-Compliant Wage
- 11 Statements);
- 12 8. Violation of California Labor Code § 1174(d) (Failure to Keep Requisite
- 13 Payroll Records);
- 14 9. Violation of California Labor Code § 2800 and 2802 (Unreimbursed
- 15 Business Expenses);
- 16 10. Violation of California Business & Professions Code §§ 17200, et seq.

17 B. On March 18, 2024, in order to facilitate the Settlement, Plaintiff filed a Notice of
18 Violations with the Labor and Workforce Development Agency (LWDA) and served
19 the same on Defendants.

20 C. On July 3, 2024, Plaintiff filed the operative First Amended Complaint, which alleges
21 an additional cause of action for Violations of the Private Attorneys General Act
22 [Labor Code §§ 2698, *et seq.*].

23 D. The Class Representative believes she has claims based on alleged violations of the
24 California Labor Code, and the Industrial Welfare Commission Wage Orders, and
25 that class certification is appropriate because the prerequisites for class certification
26 can be satisfied in the Action, and this action is manageable as a PAGA representative
27 action.

1 E. Defendants deny any liability or wrongdoing of any kind associated with the claims
2 alleged in the Action, dispute any wages, damages and penalties claimed by the Class
3 Representative are owed, and further contend that, for any purpose other than
4 settlement, the Action is not appropriate for class or representative action treatment.
5 Defendants contend, among other things, that at all times they complied with the
6 California Labor Code and the Industrial Welfare Commission Wage Orders.

7 F. The Class Representative is represented by Class Counsel. Class Counsel investigated
8 the facts relevant to the Action, including conducting an independent investigation as
9 to the allegations, reviewing documents and information exchanged through informal
10 discovery, and reviewing documents and information provided by Defendants
11 pursuant to informal requests for information to prepare for mediation. Defendants
12 produced for the purpose of settlement negotiations certain employment data
13 concerning the Settlement Class, which Class Counsel reviewed and analyzed with
14 the assistance of an expert. Based on their own independent investigation and
15 evaluation, Class Counsel are of the opinion that the Settlement with Defendants are
16 fair, reasonable, and adequate, and is in the best interest of the Settlement Class
17 considering all known facts and circumstances, including the risks of significant
18 delay, defenses asserted by Defendants, uncertainties regarding class certification,
19 and numerous potential appellate issues. Although it denies any liability, Defendants
20 is agreeing to this Settlement solely to avoid the inconveniences and cost of further
21 litigation. The Parties and their counsel have agreed to settle the claims on the terms
22 set forth in this Agreement.

23 G. On March 15, 2024, the Parties participated in mediation presided over by Brian
24 Sinclair, Esq, an experienced mediator of wage and hour class and PAGA actions.
25 The mediation concluded with a settlement.

26 H. This Agreement represents a compromise and settlement of highly disputed claims.
27 Nothing in this Agreement is intended or will be construed as an admission by
28 Defendants that the claims in the Action of Plaintiff or the Class Members have merit

1 or that Defendants bear any liability to Plaintiff or the Class on those claims or any
2 other claims, or as an admission by Plaintiff that Defendants' defenses in the Action
3 have merit.

4 I. The Parties believe that the Settlement is fair, reasonable and adequate. The
5 Settlement was arrived at through arm's-length negotiations, taking into account all
6 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
7 attendant to continuing the Action through trial and any appeal. Accordingly, the
8 Parties desire to settle, compromise and discharge all disputes and claims arising from
9 or relating to the Action fully, finally, and forever.

10 J. The Parties agree to certification of the Class for purposes of this Settlement only. If
11 for any reason the settlement does not become effective, Defendants reserve the right
12 to contest certification of any class for any reason and reserves all available defenses
13 to the claims in the Action.

14 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

15 **III. TERMS OF AGREEMENT**

16 A. Settlement Consideration and Settlement Payments by Defendants.

17 1. Settlement Consideration. In full and complete settlement of the Action, and
18 in exchange for the releases set forth below, Defendants will pay the sum of
19 the Individual Settlement Payments, the Enhancement Award, the Attorneys'
20 Fees and Attorneys' Expenses, PAGA Penalties, and the Administration
21 Costs, as specified in this Agreement, equal to the Gross Settlement Amount
22 of One Million Five Hundred Thousand Dollars and Zero Cents
23 (\$1,500,000.00). The Parties agree that this is a non-reversionary Settlement
24 and that no portion of the Gross Settlement Amount shall revert to Defendants.
25 Other than the Defendants' share of employer payroll taxes and as provided
26 in Section III.A.2 below, Defendants shall not be required to pay more than
27 the Gross Settlement Amount.

- 1 2. Class Size. Defendants represent that the Settlement Class was comprised of
2 644 individuals who collectively worked approximately 65,462 workweeks
3 (“Projected Workweeks”) during the Class Period. The Parties acknowledge
4 and agree that this data (and other information provided by Defendants for
5 purposes of mediation) was relied on to extrapolate and reach an arms-length
6 negotiation of Plaintiff’s claims in the Action through the Class Period. One
7 week prior to the filing of the motion for Preliminary Approval, the Settlement
8 Administrator will provide Class Counsel with a declaration under penalty of
9 perjury confirming the number of applicable Class Members and workweeks
10 they worked during the Class Period. No later than thirty (30) days after
11 execution of this Settlement Agreement, Defendants will provide the
12 Settlement Administrator with the Class Data in order to ensure the Settlement
13 Administrator has sufficient time to prepare the foregoing declaration prior to
14 the filing of the motion for Preliminary Approval. If the Projected Workweeks
15 increases by more than 10% of the estimated stated herein, the Gross
16 Settlement Amount shall increase proportionally for the number of
17 workweeks over 110% of the 65,462 Projected Workweeks (72,008). For
18 example, if the number of workweeks increases by 111%, the GSA would
19 increase by 1%.
- 20 3. Settlement Payment. Defendants shall deposit the Gross Settlement Amount
21 into the QSF, through the Settlement Administrator by the Funding Date. Any
22 interest accrued will be added to the NSA and distributed to the Settlement
23 Class Members except that if final approval is reversed on appeal, then
24 Defendants are entitled to prompt return of the principal and all interest
25 accrued.
- 26 4. Defendants’ Share of Payroll Taxes. Defendants’ share of employer side
27 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
28 together with the Gross Settlement Amount on the Funding Date.

- 1 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
2 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
3 release the Released Parties from the Released Class Claims for the Class Period.
- 4 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
5 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
6 California release the Released Parties from the Released PAGA Claims for the PAGA
7 Period. As a result of this release, the Aggrieved Employees shall be precluded from
8 bringing claims against Defendants for the Released PAGA Claims.
- 9 D. General Release by Plaintiff. As of the Funding Date, for the consideration set forth
10 in this Agreement, Plaintiff waives, releases, acquits and forever discharges the
11 Released Parties from any and all claims, whether known or unknown, which exist or
12 may exist on either Plaintiff's behalf as of the date of this Agreement, including but
13 not limited to any and all tort claims, contract claims, wage claims, wrongful
14 termination claims, disability claims, benefit claims, public policy claims, retaliation
15 claims, statutory claims, personal injury claims, emotional distress claims, invasion of
16 privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and
17 all claims arising under any federal, state or other governmental statute, law, regulation
18 or ordinance, including, but not limited to claims for violation of the Fair Labor
19 Standards Act, the California Labor Code, the Wage Orders of California's Industrial
20 Welfare Commission, other state wage and hour laws, the Americans with Disabilities
21 Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement
22 Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair
23 Employment and Housing Act, the California Family Rights Act, the Family Medical
24 Leave Act, California's Whistleblower Protection Act, California Business &
25 Professions Code Section 17200 et seq., and any and all claims arising under any
26 federal, state or other governmental statute, law, regulation or ordinance. Plaintiff also
27 waives and relinquishes any and all claims, rights or benefits that she may have under
28 California Civil Code § 1542, which provides as follows:

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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.

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement Agreement is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this Settlement Agreement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Settlement Agreement and specifically about the waiver of section 1542, and that Plaintiff understands this Settlement Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Settlement Agreement, and even so Plaintiff agrees that the releases and agreements contained in this Settlement Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement Agreement or with regard to any facts now unknown to Plaintiff relating thereto.

1 E. Conditions Precedent: This Settlement will become final and effective only upon the
2 occurrence of all of the following events:

- 3 1. The Court enters an order granting preliminary approval of the Settlement;
- 4 2. The Court enters an order granting final approval of the Settlement and a Final
5 Judgment;
- 6 3. If an objector appears at the final approval hearing, the time for appeal of the
7 Final Judgment and Order Granting Final Approval of Class Action
8 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
9 any appeal from the Judgment and Order Granting Final Approval of Class
10 Action Settlement; and
- 11 4. Defendants fully fund the Gross Settlement Amount.

12 F. Nullification of Settlement Agreement. If this Settlement Agreement is not
13 preliminarily or finally approved by the Court, fails to become effective, or is reversed,
14 withdrawn or modified by the Court, or in any way prevents or prohibits Defendants
15 from obtaining a complete resolution of the Released Claims, or if Defendants fail to
16 fully fund the Gross Settlement Amount:

- 17 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
18 and shall not be admissible in any judicial, administrative or arbitral
19 proceeding for any purpose or with respect to any issue, substantive or
20 procedural;
- 21 2. The conditional class certification (obtained for any purpose) shall be void *ab*
22 *initio* and of no force or effect, and shall not be admissible in any judicial,
23 administrative or arbitral proceeding for any purpose or with respect to any
24 issue, substantive or procedural;
- 25 3. None of the Parties to this Settlement will be deemed to have waived any
26 claims, objections, defenses or arguments in the Action, including with respect
27 to the issue of class certification; and

1 4. Defendants shall bear the sole responsibility for any cost to issue or reissue
2 any curative notice to the Settlement Class Members and all Settlement
3 Administration Costs incurred to the date of nullification.

4 G. Certification of the Settlement Class. The Parties stipulate to conditional class
5 certification of the Class for the Class Period for purposes of settlement only. In the
6 event that this Settlement is not approved by the Court, fails to become effective, or is
7 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
8 Defendants from obtaining a complete resolution of the Released Claims, the
9 conditional class certification (obtained for any purpose) shall be void *ab initio* and of
10 no force or effect, and shall not be admissible in any judicial, administrative or arbitral
11 proceeding for any purpose or with respect to any issue, substantive or procedural.

12 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
13 effect of the payments called for, and Class Members and/or Aggrieved Employees are
14 not relying on any statement or representation by the Parties in this regard. Class
15 Members and/or Aggrieved Employees understand and agree that they will be
16 responsible for the payment of any taxes and penalties assessed on the Individual
17 Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved
18 Employee Payment described and will be solely responsible for any penalties or other
19 obligations resulting from their personal tax reporting of Individual Settlement
20 Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee
21 Payment.

22 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
23 the "acknowledging party" and each Party to this Agreement other than the
24 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
25 of this Agreement, and no written communication or disclosure between or among the
26 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
27 such communication or disclosure constitute or be construed or be relied upon as, tax
28 advice within the meaning of United States Treasury Department circular 230 (31 CFR

1 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
2 her or its own, independent legal and tax counsel for advice (including tax advice) in
3 connection with this Agreement, (b) has not entered into this Agreement based upon
4 the recommendation of any other Party or any attorney or advisor to any other Party,
5 and (c) is not entitled to rely upon any communication or disclosure by any attorney
6 or advisor to any other party to avoid any tax penalty that may be imposed on the
7 acknowledging party, and (3) no attorney or advisor to any other Party has imposed
8 any limitation that protects the confidentiality of any such attorney's or adviser's tax
9 strategies (regardless of whether such limitation is legally binding) upon disclosure by
10 the acknowledging party of the tax treatment or tax structure of any transaction,
11 including any transaction contemplated by this Agreement.

12 J. Preliminary Approval Motion. Class Counsel shall draft and file the motion for
13 preliminary approval within sixty (60) calendar days of execution of this Agreement,
14 or within the statutory timeframe as determined by the Court's setting of the
15 preliminary approval hearing, which shall include this Settlement Agreement. Plaintiff
16 will provide Defendants with a draft of the Motion at least 3 business days prior to the
17 filing of the Motion to give Defendants an opportunity to propose changes or additions
18 to the Motion.

19 K. Settlement Administrator. The Settlement Administrator shall be responsible for:
20 establishing and administering the QSF; calculating, processing and mailing payments
21 to the Class Representative, Class Counsel, LWDA and Class Members; printing and
22 mailing the Notice Packets to the Class Members as directed by the Court; receiving
23 and reporting the objections and requests for exclusion; calculating, deducting and
24 remitting all legally required taxes from Individual Settlement Payments and
25 distributing tax forms for the Wage Portion, the Penalties Portion and the Interest
26 Portion of the Individual Settlement Payments and/or Aggrieved Employees'
27 individual shares of the Aggrieved Employee Payment; processing and mailing tax
28 payments to the appropriate state and federal taxing authorities; providing

1 declaration(s) as necessary in support of preliminary and/or final approval of this
2 Settlement; and other tasks as the Parties mutually agree or the Court orders the
3 Settlement Administrator to perform. The Settlement Administrator shall keep the
4 Parties timely apprised of the performance of all Settlement Administrator
5 responsibilities by among other things, sending a weekly status report to the Parties'
6 counsel stating the date of the mailing, the of number of Elections Not to Participate
7 in Settlement it receives (including the numbers of valid and deficient), and number of
8 objections received.

9 L. Notice Procedure.

10 1. Class Data. No later than ten (10) calendar days after the Preliminary
11 Approval Date, Defendants shall provide the Settlement Administrator with
12 the Class Data for purposes of preparing and mailing Notice Packets to the
13 Class Members.

14 2. Notice Packets.

15 a) The Notice Packet shall contain the Notice of Class Action Settlement
16 in a form substantially similar to the form attached as **Exhibit A**. The
17 Notice of Class Action Settlement shall inform Class Members and
18 PAGA Class Members that they need not do anything in order to
19 receive an Individual Settlement Payment and/or Aggrieved
20 Employees' individual shares of the Aggrieved Employee Payment
21 and to keep the Settlement Administrator apprised of their current
22 mailing address, to which the Individual Settlement Payments and/or
23 Aggrieved Employees' individual shares of the Aggrieved
24 Employment Payment will be mailed following the Funding Date. The
25 Notice of Class Action Settlement shall set forth the release to be given
26 by all members of the Class who do not request to be excluded from
27 the Settlement Class and/or Aggrieved Employees in exchange for an
28 Individual Settlement Payment and/or Aggrieved Employees'

1 individual shares of the Aggrieved Employment Payment, the number
2 of Workweeks worked by each Class Member during the Class Period
3 and PAGA Period, if any, and the estimated amount of their Individual
4 Settlement Payment if they do not request to be excluded from the
5 Settlement and each Aggrieved Employees' share of the Aggrieved
6 Employment Payment, if any. The Settlement Administrator shall use
7 the Class Data to determine Class Members' Workweeks and PAGA
8 Workweeks. The Notice will also advise the Aggrieved Employees
9 that they will release the Released PAGA Claims and will receive their
10 share of the Aggrieved Employee Payment regardless of whether they
11 request to be excluded from the Settlement.

12 b) The Notice Packet's mailing envelope shall include the following
13 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
14 ENTITLED TO PARTICIPATE IN A CLASS ACTION
15 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
16 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
17 NOTICE."

18 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the
19 Settlement Administrator will perform a search based on the National Change
20 of Address Database to update and correct any known or identifiable address
21 changes. No later than twenty one (21) calendar days after preliminary
22 approval of the Settlement, the Settlement Administrator shall mail copies of
23 the Notice Packet to all Class Members via regular First-Class U.S. Mail. The
24 Settlement Administrator shall exercise its best judgment to determine the
25 current mailing address for each Class Member. The address identified by the
26 Settlement Administrator as the current mailing address shall be presumed to
27 be the best mailing address for each Class Member.
28

1 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
2 Administrator as non-delivered on or before the Response Deadline shall be
3 re-mailed to any forwarding address provided. If no forwarding address is
4 provided, the Settlement Administrator shall promptly attempt to determine a
5 correct address by lawful use of skip-tracing, or other search using the name,
6 address and/or Social Security number of the Class Member involved, and
7 shall then perform a re-mailing, if another mailing address is identified by the
8 Settlement Administrator. In addition, if any Notice Packets, which are
9 addressed to Class Members who are currently employed by Defendants, are
10 returned to the Settlement Administrator as non-delivered and no forwarding
11 address is provided, the Settlement Administrator shall notify Defendants.
12 Defendants will request that the currently employed Class Member provide a
13 corrected address, and transmit to the Administrator any corrected address
14 provided by the Class Member. Class Members who received a re-mailed
15 Notice Packet shall have their Response Deadline extended fifteen (15) days
16 from the original Response Deadline.

17 5. Disputes Regarding Individual Settlement Payments. Class Members will
18 have the opportunity, should they disagree with Defendants' records regarding
19 the start and end dates of employment, to provide documentation and/or an
20 explanation to show contrary dates. If there is a dispute, the Settlement
21 Administrator will consult with the Parties to determine whether an
22 adjustment is warranted. The Settlement Administrator shall determine the
23 eligibility for, and the amounts of, any Individual Settlement Payments under
24 the terms of this Agreement. The Settlement Administrator's determination
25 of the eligibility for and amount of any Individual Settlement Payment shall
26 be binding upon the Class Member and the Parties.

27 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
28 by the Settlement Administrator concerning the administration of the

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Settlement will be resolved by the Court under the laws of the State of California. Before any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

7. Exclusions. The Notice of Class Action Settlement contained in the Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a written request for exclusion to the Settlement Administrator by the Response Deadline. The written request for exclusion must state that the Class Member wishes to exclude himself or herself from the Settlement and (1) must contain the name, address, and the last four digits of the Social Security number of the person requesting exclusion; (2) must be signed by the Class Member; (3) must be postmarked or fax stamped by the Response Deadline and returned to the Settlement Administrator at the specified address or fax telephone number; and (4) contain a typewritten or handwritten notice stating in substance that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Morris v Haberfelde Ford, et al.*, currently pending in Superior Court of Kern, Case No. BCV-23-100471. The request for exclusion will not be valid if it is not timely submitted, if it is not signed by the Class Member, or if it does not contain the name and address and last four digits of the Social Security number of the Class Member. The date of the postmark on the mailing envelope or fax stamp on the request for exclusion shall be the exclusive means used to determine whether the request for exclusion was timely submitted. Any Class Member who submits a timely request for exclusion shall be excluded from the Settlement Class will not be entitled to an Individual Settlement Payment and will not be otherwise bound by the terms of the Settlement or have any right to object, appeal or comment thereon. However, any Class Member that submits a timely request for exclusion that is also a member of the Aggrieved

1 Employees will still receive his/her pro rata share of the PAGA Settlement, as
2 specified below, and in consideration, will be bound by the Release by the
3 Aggrieved Employees as set forth herein. Settlement Class Members who fail
4 to submit a valid and timely request for exclusion on or before the Response
5 Deadline shall be bound by all terms of the Settlement and any final judgment
6 entered in this Action if the Settlement is approved by the Court. No later than
7 twenty-one (21) calendar days after the Response Deadline, the Settlement
8 Administrator shall provide counsel for the Parties with a final list of the Class
9 Members who have timely submitted timely requests for exclusion. At no time
10 shall any of the Parties or their counsel seek to solicit or otherwise encourage
11 members of the Class to submit requests for exclusion from the Settlement.

12 8. Objections. The Notice of Class Action Settlement contained in the Notice
13 Packet shall state that Class Members who wish to object to the Settlement
14 may submit to the Settlement Administrator a written statement of objection
15 (“Notice of Objection”) by the Response Deadline. The postmark date of
16 mailing shall be deemed the exclusive means for determining that a Notice of
17 Objection was served timely. The Notice of Objection, if in writing, must be
18 signed by the Settlement Class Member and state: (1) the case name and
19 number; (2) the name of the Settlement Class Member; (3) the address of the
20 Settlement Class Member; (4) the last four digits of the Settlement Class
21 Member’s Social Security number; (5) the basis for the objection; and (6) if
22 the Settlement Class Member intends to appear at the Final
23 Approval/Settlement Fairness Hearing. Class Members who fail to make
24 objections in writing in the manner specified above may still make their
25 objections orally at the Final Approval/Settlement Fairness Hearing with the
26 Court’s permission. Settlement Class Members will have a right to appear at
27 the Final Approval/Settlement Fairness Hearing to have their objections heard
28 by the Court regardless of whether they submitted a written objection. At no

1 time shall any of the Parties or their counsel seek to solicit or otherwise
2 encourage Class Members to file or serve written objections to the Settlement
3 or appeal from the Order and Final Judgment. Class Members who submit a
4 written request for exclusion may not object to the Settlement. Class Members
5 may not object to the PAGA Penalties.

6 M. Funding and Allocation of the Gross Settlement Amount. Defendants are required to
7 pay the Gross Settlement Amount plus any employer's share of payroll taxes as
8 mandated by law within the time specified hereinabove on the Funding Date.

9 1. Calculation of Individual Settlement Payments. Individual Settlement
10 Payments shall be paid from the Net Settlement Amount and shall be paid
11 pursuant to the formula set forth herein. Using the Class Data, the Settlement
12 Administrator shall add up the total number of Workweeks for all Class
13 Members. The respective Workweeks for each Class Member will be divided
14 by the total Workweeks for all Class Members, resulting in the Payment Ratio
15 for each Class Member. Each Class Member's Payment Ratio will then be
16 multiplied by the Net Settlement Amount to calculate each Class Member's
17 estimated Individual Settlement Payments. Each Individual Settlement
18 Payment will be reduced by any legally mandated employee tax withholdings
19 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
20 Members who submit valid and timely requests for exclusion will be
21 redistributed to Settlement Class Members who do not submit valid and timely
22 requests for exclusion on a pro rata basis based on their respective Payment
23 Ratios.

24 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
25 Class Data, the Settlement Administrator shall add up the total number of
26 PAGA Pay Periods for all Aggrieved Employees during the PAGA Period.
27 The respective PAGA Pay Periods for each Aggrieved Employees will be
28 divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting

1 in the “PAGA Payment Ratio” for each Aggrieved Employee. Each Aggrieved
2 Employee’s PAGA Payment Ratio will then be multiplied by the Aggrieved
3 Employee Payment to calculate each Aggrieved Employee’s estimated share
4 of the Aggrieved Employee Payment.

5 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
6 Settlement Payments shall be allocated and treated as 20% wages (“Wage
7 Portion”) and 80% penalties and pre-judgment interest (“Penalties and Interest
8 Portion”). The Wage Portion of the Individual Settlement Payments shall be
9 reported on IRS Form W-2 and the Penalties and Interest Portion and Interest
10 Portion of the Individual Settlement Payments shall be reported on IRS Form
11 1099 issued by the Settlement Agreement.

12 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
13 Employee Settlement Payments shall be allocated and treated as 100%
14 penalties and shall be reported on IRS Form 1099.

15 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
16 individual shares of the PAGA Penalties made to Settlement Class Members
17 and/or Aggrieved Employees under this Settlement Agreement, as well as any
18 other payments made pursuant to this Settlement Agreement, will not be
19 utilized to calculate any additional benefits under any benefit plans to which
20 any Class Members may be eligible, including, but not limited to profit-
21 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
22 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
23 Parties’ intention that this Settlement Agreement will not affect any rights,
24 contributions, or amounts to which any Class Members may be entitled under
25 any benefit plans.

26 6. All monies received by Settlement Class Members under the Settlement which
27 are attributable to wages shall constitute income to such Settlement Class
28 Members solely in the year in which such monies actually are received by the

1 Settlement Class Members. It is the intent of the Parties that Individual
2 Settlement Payments and individual shares of the PAGA Penalties provided for
3 in this Settlement agreement are the sole payments to be made by Defendants to
4 Settlement Class Members and/or Aggrieved Employees in connection with this
5 Settlement Agreement, with the exception of Plaintiff, and that the Settlement
6 Class Members and/or Aggrieved Employees are not entitled to any new or
7 additional compensation or benefits as a result of having received the Individual
8 Settlement Payments and/or their shares of the Aggrieved Employee Payment.

9 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
10 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
11 and/or Aggrieved Employees' last known mailing address no later than fifteen
12 (15) calendar days after the Funding Date.

13 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
14 Employees shall remain valid and negotiable for one hundred and eighty (180)
15 days from the date of their issuance. If a Settlement Class Member and/or
16 Aggrieved Employees does not cash his or her settlement check within 90
17 days, the Settlement Administrator will send a letter to such persons, advising
18 that the check will expire after the 180th day, and invite that Settlement Class
19 Member and/or Aggrieved Employees to request reissuance in the event the
20 check was destroyed, lost or misplaced. In the event an Individual Settlement
21 Payment and/or Aggrieved Employees' individual share of the PAGA
22 Penalties check has not been cashed within one hundred and eighty (180) days,
23 all funds represented by such uncashed checks, plus any interest accrued
24 thereon, shall be paid to the Court Appointed Special Advocates (CASA) of
25 Kern County pursuant to California Code of Civil Procedure section 386.

26 9. Enhancement Award. In addition to the Individual Settlement Payment as a
27 Settlement Class Member and her individual share of the Aggrieved
28 Employee Payment, Plaintiff will apply to the Court for an award of not more

1 than \$10,000.00, as the Enhancement Award. Defendants will not oppose an
2 Enhancement Award of not more than \$10,000.00 for Plaintiff. The
3 Settlement Administrator shall pay the Enhancement Award, either in the
4 amount stated herein if approved by the Court or some other amount as
5 approved by the Court, to Plaintiff from the Gross Settlement Amount no later
6 than fifteen (15) calendar days after the Funding Date. Any portion of the
7 requested Enhancement Award that is not awarded to the Class Representative
8 shall be part of the Net Settlement Amount and shall be distributed to
9 Settlement Class Members as provided in this Agreement. The Settlement
10 Administrator shall issue an IRS Form 1099 — MISC to Plaintiff for her
11 Enhancement Award. Plaintiff shall be solely and legally responsible to pay
12 any and all applicable taxes on her Enhancement Award and shall hold
13 harmless the Released Parties from any claim or liability for taxes, penalties,
14 or interest arising as a result of the Enhancement Award. Approval of this
15 Settlement shall not be conditioned on Court approval of the requested amount
16 of the Enhancement Award. If the Court reduces or does not approve the
17 requested Enhancement Award, Plaintiff shall not have the right to revoke the
18 Settlement, and it will remain binding.

19 10. Attorneys' Fees and Attorneys' Expenses. Defendants understand Class
20 Counsel will file a motion for or Attorneys' Fees not to exceed thirty-five
21 percent (35%) of the Gross Settlement Amount currently estimated to be
22 \$525,000.00 *and* Attorneys' Expenses supported by declaration not to exceed
23 Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). Any awarded
24 Attorneys' Fees and Attorneys' Expenses shall be paid from the Gross
25 Settlement Amount. Any portion of the requested Attorneys' Fees and/or
26 Attorneys' Expenses that are not awarded to Class Counsel shall be part of the
27 Net Settlement Amount and shall be distributed to Settlement Class Members
28 as provided in this Agreement. The Settlement Administrator shall allocate

1 and pay the Attorneys' Fees to Class Counsel from the Gross Settlement
2 Amount no later than fifteen (15) calendar days after Defendants fully fund
3 the Settlement. Class Counsel shall be solely and legally responsible to pay
4 all applicable taxes on the payment made pursuant to this paragraph. The
5 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class
6 Counsel for the payments made pursuant to this paragraph. In the event that
7 the Court reduces or does not approve the requested Attorneys' Fees, Plaintiff
8 and Class Counsel shall not have the right to revoke the Settlement, or to
9 appeal such order, and the Settlement will remain binding.

10 11. PAGA Penalties. Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall
11 be allocated from the Gross Settlement Amount for settlement of claims for
12 civil penalties under the Private Attorneys General Act of 2004 ("PAGA
13 Penalties"). The Settlement Administrator shall pay seventy-five percent
14 (75%) of the PAGA Penalties (\$37,500.00) to the California Labor and
15 Workforce Development Agency no later than fifteen (15) calendar days after
16 the Effective Date (hereinafter "LWDA Payment"). Twenty-five percent
17 (25%) of the PAGA Penalties (\$12,500.00) will be distributed to the
18 Aggrieved Employees as described in this Agreement (hereinafter "Aggrieved
19 Employee Payment"). For purposes of distributing the PAGA Penalties to the
20 Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata
21 share of the Aggrieved Employee Payment using the PAGA Payment Ratio
22 as defined above.

23 12. Administration Costs. The Settlement Administrator shall be paid for the
24 costs of administration of the Settlement from the Gross Settlement Amount.
25 The estimate of the Administration Costs is \$10,000.00. The Settlement
26 Administrator shall be paid the Administration Costs no later than fifteen (15)
27 calendar days after the Effective Date.

1 N. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
2 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
3 twenty-eight (28) days following the expiration of the Response Deadline, or within
4 the statutory timeframe as determined by the Court's setting of the final approval
5 hearing, which motion shall request final approval of the Settlement and a
6 determination of the amounts payable for the Enhancement Award, the Attorneys'
7 Fees and Attorneys' Expenses, the PAGA Penalties, and the Administration Costs.
8 Plaintiff will provide Defendants with a draft of the Motion at least 3 business days
9 prior to the filing of the Motion to give Defendants an opportunity to propose changes
10 or additions to the Motion.

11 1. Declaration by Settlement Administrator. No later than seven (7) days after
12 the Response Deadline, the Settlement Administrator shall submit a
13 declaration in support of Plaintiff's motion for final approval of this
14 Settlement detailing the number of Notice Packets mailed and re-mailed to
15 Class Members, the number of undeliverable Notice Packets, the number of
16 timely requests for exclusion, the number of objections received, the amount
17 of the average Individual Settlement Payment and highest Individual
18 Settlement Payment, the Administration Costs, and any other information as
19 the Parties mutually agree or the Court orders the Settlement Administrator to
20 provide.

21 2. Final Approval Order and Judgment. Class Counsel shall present an Order
22 Granting Final Approval of Class Action Settlement to the Court for its
23 approval, and Judgment thereon, at the time Class Counsel files the Motion
24 for Final Approval.

25 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
26 an opportunity for Counsel for Defendants to review the Motions for Preliminary and
27 Final Approval, including the Order Granting Final Approval of Class Action
28 Settlement, and Judgment before filing with the Court. The Parties and their counsel

1 will cooperate with each other and use their best efforts to effect the Court's approval
2 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
3 Judgment.

4 O. Cooperation. The Parties and their counsel will cooperate with each other and use
5 their best efforts to implement the Settlement.

6 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
7 except such proceedings necessary to implement and complete the Settlement, pending
8 the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

9 Q. Amendment or Modification. This Agreement may be amended or modified only by
10 a written instrument signed by counsel for all Parties or their successors-in-interest.

11 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
12 Agreement among these Parties, and no oral or written representations, warranties or
13 inducements have been made to any Party concerning this Agreement or its Exhibit
14 other than the representations, warranties and covenants contained and memorialized
15 in this Agreement and its Exhibit.

16 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
17 represent they are expressly authorized by the Parties whom they represent to negotiate
18 this Agreement and to take all appropriate Action required or permitted to be taken by
19 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
20 documents required to effectuate the terms of this Agreement. The persons signing
21 this Agreement on behalf of Defendants represent and warrant that he/she is authorized
22 to sign this Agreement on behalf of Defendants. Plaintiff represents and warrants that
23 she is authorized to sign this Agreement and that she has not assigned any claim, or
24 part of a claim, covered by this Settlement to a third-party.

25 T. No Public Comment: The Parties and their counsel agree that they will not issue any
26 press releases, initiate any contact with the press, respond to any press inquiry, or have
27 any communication with the press about the fact, amount, or terms of the Settlement
28 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any

1 of its terms for any marketing or promotional purposes. Nothing herein will restrict
2 Class Counsel from including publicly available information regarding this settlement
3 in future judicial submissions regarding Class Counsel's qualifications and experience.
4 Further, Class Counsel will not include, reference, or use the Settlement Agreement
5 for any marketing or promotional purposes, either before or after the Motion for
6 Preliminary Approval is filed.

7 U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
8 to the benefit of, the successors or assigns of the Parties, as previously defined.

9 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
10 shall be governed by and interpreted according to the laws of the State of California.

11 W. Counterparts. This Agreement may be executed in one or more counterparts. All
12 executed counterparts and each of them shall be deemed to be one and the same
13 instrument provided that counsel for the Parties to this Agreement shall exchange
14 among themselves copies or originals of the signed counterparts.

15 X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
16 is a fair, adequate, and reasonable settlement of this Action and have arrived at this
17 Settlement after extensive arms-length negotiations, taking into account all relevant
18 factors, present and potential.

19 Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
20 respect to the interpretation, implementation, and enforcement of the terms of this
21 Agreement and all orders and judgments entered in connection therewith, and the
22 Parties and their counsel submit to the jurisdiction of the Court for purposes of
23 interpreting, implementing and enforcing the settlement and all orders and judgments
24 entered in connection with this Agreement.

25 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
26 the Court shall first attempt to construe the provisions valid to the fullest extent
27 possible consistent with applicable precedents so as to define all provisions of this
28 Agreement valid and enforceable.

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AA. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this settlement only.

BB. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendants. Defendants claim that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendants or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: 07/15/2024  Passion Morris Jul 15, 2024 16:28 PDT

PASSION MORRIS


IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: _____ HABERFELDE FORD and JIM BURKE FORD
LINCOLN

Printed Name

Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: 07/16/2024 JCL LAW FIRM, A.P.C.
By: 

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IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: _____

PASSION MORRIS

IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: 7/16/24

Joe Hay
HABERFELDE FORD and JIM BURKE FORD
LINCOLN

Joe Hay
Printed Name

President
Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: _____

JCL LAW FIRM, A.P.C.

By: _____
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Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

LAWYERS FOR JUSTICE, PC

By: _____

Edwin Aiwazian, Esq.

Morgan Barney, Esq.

Attorneys for Plaintiff and the Settlement Class Members

DATED: 7/17/24

LeBEAUTHELEN, LLP

By:  _____

Daniel K. Klingenberger, Esq.

Mathew J. Dobbs, Esq.

Attorneys for Defendants

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Attorneys for Plaintiff and the Settlement Class Members

DATED: 07/16/2024

ZAKAY LAW GROUP, APLC

By:  _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

LAWYERS FOR JUSTICE, PC

By: _____
Edwin Aiwazian, Esq.
Morgan Barney, Esq.
Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

LeBEAU THELEN, LLP

By: _____
Daniel K. Klingenberg, Esq.
Mathew J. Dobbs, Esq.

Attorneys for Defendants

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Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

ZAKAY LAW GROUP, APLC

By: _____

Attorneys for Plaintiff and the Settlement Class Members

DATED: July 17, 2024

LAWYERS FOR JUSTICE, PC

By: 

Edwin Aiwazian, Esq.
Morgan Barney, Esq.
Attorneys for Plaintiff and the Settlement Class Members

DATED: _____

LeBEAU THELEN, LLP

By: _____

Daniel K. Klingenberg, Esq.
Mathew J. Dobbs, Esq.

Attorneys for Defendants

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Morris v Haberfelde Ford, et al., Kern County Superior Court Case No. BCV-23-100471)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	<p>To receive a cash payment from the Settlement, you do not have to do anything.</p> <p>Your estimated Settlement Share is: \$<< [REDACTED] >>. See the explanation below.</p> <p>After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.</p>
Exclude Yourself	<p>If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement.</p> <p>Instructions are set forth below.</p>
Object	<p>You may write to the Court about why you believe the settlement should not be approved.</p> <p>Directions are provided below.</p>

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Kern (the “Court”) has been reached between Plaintiff Passion Morris (“Plaintiff”) and Defendants Haberfelde Ford and Jim Burke Ford Lincoln. (“Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All non-exempt employees who are or previously were employed by Defendants, who performed work in California during the period of February 14, 2019 through June 13, 2024.

The “Class Period” is the period of time running from February 14, 2019 through June 13, 2024.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On February 14, 2023, Plaintiff filed a Complaint against Defendants in the Superior Court of the State of California, County of Kern. Plaintiff asserted the following claims against Defendants for: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code § 2800 and 2802 (Unreimbursed Business Expenses); and (10) Violation of California Business & Professions Code §§ 17200, et seq. On March 18, 2024, in order to facilitate the Settlement, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendants. On July 3, 2024, Plaintiff filed the operative First Amended Complaint, which alleges an additional cause of action for Violations of the Private Attorneys General Act [Labor Code §§ 2698, et seq.].

Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times they complied with the California Labor Code and the Industrial Welfare Commission Wage Orders.

On March 15, 2024, the Parties participated in an all-day mediation with Brian Sinclair, Esq., an experienced mediator of wage and hour class actions. The mediation concluded with a settlement. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC, Zakay Law Group, APC and Lawyers for Justice, PC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of One Million Five Hundred Thousand Dollars and Zero Cents (\$1,500,000) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments to Settlement Class Members, Class Counsel’s Attorneys’ Fees and Expenses, Administration Costs, the LWDA Payment, Aggrieved Employee Payments, and the Enhancement Award to the Plaintiff.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Administration Costs. Payment to the Settlement Administrator, estimated not to exceed \$10,000.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys’ Fees and Costs. Payment to Class Counsel of an award of Attorneys’ Fees of no more than 35% of the Gross Settlement Amount (currently \$525,000.00) and Attorneys’ Expenses of not more than

\$25,000.00 for all expenses incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

- Enhancement Award. Enhancement Award of up to Ten Thousand Dollars (\$10,000.00) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.
- PAGA Payment. A payment of \$50,000.00 relating to Plaintiff’s claim under the Private Attorneys General Act (“PAGA”), \$37,500.00 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA”) and the remaining \$12,500.00 will be distributed to Aggrieved Employees as part of the Net PAGA Amount.
- Calculation of Payments to Participating Class Members. After all the above payments of the court-approved Attorneys’ Fees, Attorneys’ Expenses, Enhancement Award, PAGA Payment, and the Administration Costs are deducted from the Gross Settlement Amount, the remaining portion, called the “Net Settlement Amount,” shall be distributed to class members who do **not** request exclusion (“Settlement Class Members”). The Settlement Share for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member’s workweeks that occurred during the Class Period. A “workweek” is defined as any seven (7) consecutive days beginning on Sunday and ending on Saturday, in which a class member is employed by Defendants during the Class Period in California.
- Calculation of PAGA Penalties Payments to Aggrieved Employees. The Net PAGA Amount shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The Net PAGA Amount will be divided by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. “Aggrieved Employees” means all non-exempt employees who are or previously were employed by Defendants, who performed work in California during the PAGA Period. The PAGA Period means the period of February 12, 2023 through June 13, 2024.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. Twenty percent (20%) of each Settlement Share is allocated to wages. Taxes are withheld from this amount, and each Participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Eighty percent (80%) of each Settlement Share is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the PAGA Penalties paid to Aggrieved Employees, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants’ counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Settlement made to Settlement Class Members and/or Aggrieved Employees under this Settlement Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any

additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendants, Plaintiff and the Settlement Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all class claims alleged in the operative complaint, or which could have been alleged in the operative complaint, or which could have been alleged in the operative complaint based on the facts alleged, which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. The Released PAGA Claims shall be released as follows. As of the Settlement Effective Date and upon funding in full of the Gross Settlement Amount by Defendants, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all PAGA claims alleged in the operative complaint in the Action and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendants' records reflect that you have << >> Workweeks worked during the Class Period (February 14, 2019 through June 13, 2024).

Based on this information, your estimated Settlement Share is << >>.

Defendants' records reflect that you have << >> pay periods worked during the PAGA Period (February 12, 2023 through June 13, 2024).

Based on this information, your estimated PAGA Payment Share is << >>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or fifteen (15) days after the re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: APEX Class Action LLC.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Net PAGA Amount.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is APEX Class Action LLC, 18 Technology Drive, Ste. 164, Irvine, CA 92618. The request for exclusion must state in substance that the Class Member has read the Class Notice and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Morris v Haberfelde Ford, et al.*, currently pending in Superior Court of Kern, Case No. BCV-23-100471. The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is *Morris v Haberfelde Ford, et al., Kern County Superior Court Case No. BCV-23-100471*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel: (619) 599-8292

Counsel for Defendants:

Daniel K. Klingenberg, Esq.
Mathew J. Dobbs, Esq.
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E-Mail: jlapuyade@jcl-lawfirm.com

Fax: (619) 599-8291

Email: shani@zakaylaw.com

Post Office Box 12092

Tel.: (661) 325-8962

Fax: (661) 325-1127

E-Mail:

dklingenberger@lebaeauthelen.com

mdobbs@lebeauthelen.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM on _____**, at the Kern County Superior Court, Department 17, located at 1215 Truxtun Avenue, Bakersfield, CA 93301 before Judge Thomas S. Clark. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to *Morris v Habermfelder Ford, et al., Kern County Superior Court Case No. BCV-23-100471*, Settlement Administrator, c/o _____.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to JCL Law firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121 or by visiting the website listed in this notice.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to Court Appointed Special Advocates (CASA) of Kern County. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.