

1 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Aurelio Aguilar
4 (“Plaintiff” or “Class Representative”), individually, and on behalf of all others similarly situated and
5 on behalf of the State of California with respect to aggrieved employees, Defendant Supreme Car
6 Wash, Inc. (“Supreme”), and Cross-Defendants Star Investment Carwash, Inc. (erroneously sued as
7 Tri Star Investment Carwash, Inc. and Tri Star Holding Company, LLC (“Star Investment”) and Phillip
8 Elghanian (collectively, Supreme, Star Investment, and Phillip Elghanian are referred to as
9 “Defendants”) (collectively, Plaintiff and Defendants are referred to as “Parties” and individually as
10 “Party”).

11 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
12 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
13 and Defendants, subject to the terms and conditions hereof and the approval of the Court.

14 **RECITALS**

15 1. On June 7, 2021, Plaintiff provided written notice to the Labor and Workforce
16 Development Agency (“LWDA”) by online submission and to Supreme by U.S. Certified Mail,
17 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
18 Code alleged to have been violated by Supreme (“PAGA Letter”). On August 11, 2021, Plaintiff filed
19 a Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General
20 Act, California Labor Code §§ 2698 *Et Seq.* (“Complaint”) in the action entitled *Aurelio Aguilar v.*
21 *Supreme Car Wash, Inc.*, Los Angeles County Superior Court Case No. 21STCV29696 (“Action”),
22 thereby commencing a putative class action and representative PAGA action against Supreme. On
23 December 3, 2021, Supreme filed a Cross-Complaint (“Cross-Complaint”) against Star Investment
24 and Phillip Elghanian in the Action. The Complaint and Cross-Complaint are collectively referred to
25 as the “Operative Complaints.” The Operative Complaints allege eleven (11) causes of action for
26 violations of the California Labor Code for failure to pay overtime wages, failure to pay minimum
27 wages, failure to pay reporting time pay, failure to provide compliant meal periods and premium
28 payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu

1 thereof, failure to provide accurate itemized wage statements, and failure to timely pay wages upon
2 termination, for violations of California Business & Professions Code Section 17200, *et seq.* based on
3 the aforementioned California Labor Code violations, for civil penalties under the Private Attorneys
4 General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”) based on the
5 aforementioned California Labor Code violations, and for indemnity and contribution.

6 2. Defendants deny all materials allegations set forth in the Action and have asserted
7 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
8 Defendants desire to fully and finally settle the Action, Released Class Claims (as defined herein), and
9 Released PAGA Claims (as defined herein).

10 3. Class Counsel diligently investigated the class and PAGA claims against Defendants,
11 including any and all applicable defenses and the applicable law. The investigation included, *inter*
12 *alia*, the exchange of information, data, and documents, and review of policies and practices. The
13 Parties have engaged in sufficient formal and informal discovery and investigation to assess the
14 relative merits of the claims and contentions of the Parties.

15 4. On February 9, 2023, the Parties participated in mediation with Hon. Joel M. Pressman
16 (Ret.), which did not result in a settlement at that time. After further negotiations, the Parties ultimately
17 reached the settlement that is memorialized herein. The Parties’ settlement discussions were conducted
18 at arms’ length, and the Settlement is the result of an informed and detailed analysis of Defendants’
19 potential liability and exposure in relation to the costs and risks associated with continued litigation.
20 Based on Class Counsel’s investigation and evaluation, Class Counsel believes that the settlement
21 with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair,
22 reasonable, and adequate and is in the best interest of the Class Members, State of California, and
23 PAGA Employees in light of all known facts and circumstances, including the risk of significant delay
24 and uncertainty associated with litigation and various defenses asserted by Defendants.

25 5. The Parties expressly acknowledge that this Settlement Agreement is entered into
26 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
27 admission of liability or wrongdoing by Defendants. If for any reason this Settlement Agreement is
28 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective

1 positions.

2 **DEFINITIONS**

3 6. The following definitions are applicable to this Settlement Agreement. Definitions
4 contained elsewhere in this Settlement Agreement will also be effective.

5 a. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for
6 Class Counsel's litigation and resolution of the Action and all actual costs and expenses incurred and
7 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 9.

8 b. "Class" or "Class Member(s)" means all current and former non-exempt and/or
9 hourly-paid employees who worked for Defendants in the State of California at any time during the
10 Class Period, but excluding all employees who signed a Settlement Agreement and General Release
11 with Supreme.

12 c. "Class Counsel" means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,
13 Alexandra Rose, and Jared Osborne of Blackstone Law, APC, who will seek to be appointed counsel
14 for the Class.

15 d. "Class List" means a complete list of all Class Members that Defendants will
16 diligently and in good faith compile from their records and provide to the Settlement Administrator.
17 The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the
18 following information for each Class Member: (1) full name; (2) last known mailing address; (3)
19 Social Security number; (4) number of Workweeks; and (8) number of PAGA Workweeks (if
20 applicable).

21 e. "Class Notice" means the Notice of Class Action Settlement, substantially in
22 the form attached hereto as "**Exhibit A**."

23 f. "Class Period" means the period from August 11, 2017 through February 8,
24 2024.

25 g. "Class Settlement" means the settlement and resolution of all Released Class
26 Claims.

27 h. "Court" means the Superior Court of the State of California for the County of
28 Los Angeles.

1 i. “Defendants’ Counsel” means David P. Beitchman and Paul Tokar of
2 Beitchman & Zekian, P.C. and Ali R. Moghaddami of Law Offices of Ali R. Moghaddami.

3 j. “Effective Date” means the date when all of the following events have occurred:
4 (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendants’
5 Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been
6 mailed to the Class Members, providing the Class Members with an opportunity to object to the terms
7 of the Class Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval
8 Hearing and entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed
9 since the Court entered a Final Approval Order and Judgment; and (6) in the event there are written
10 objections to the Class Settlement filed prior to the Final Approval Hearing which are not later
11 withdrawn or denied, the later of the following events: five business days after the period for filing
12 any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and
13 Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed, or, if
14 any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and
15 Judgment has been filed, five business days after any appeal, writ, or other appellate proceedings
16 opposing the Court’s Final Approval Order and Judgment has finally and conclusively dismissed with
17 no right to pursue further remedies or relief.

18 k. “Employer Taxes” means the employers’ share of taxes and contributions in
19 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendants
20 in addition to the Gross Settlement Amount.

21 l. “Enhancement Payment” means the amount to be paid to Plaintiff, in
22 recognition of his effort and work in prosecuting the Action on behalf of Class Members and PAGA
23 Employees, and general release of claims, as set forth in Paragraph 10.

24 m. “Final Approval” means the determination by the Court that the Settlement is
25 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

26 n. “Final Approval Hearing” means the hearing at which the Court will consider
27 and determine whether the Settlement should be granted Final Approval.

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1 o. “Final Approval Order and Judgment” means the order granting final approval
2 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
3 Parties, and subject to approval by the Court.

4 p. “Gross Settlement Amount” means the amount of Two Hundred Fifty Thousand
5 Dollars and Zero Cents (\$250,000.00) to be paid in full satisfaction of the Action, Released Class
6 Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement
7 Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to
8 the Settlement Class Members. Supreme shall pay One Hundred Twenty-Five Thousand Dollars and
9 Zero Cents (\$125,000.00) towards the Gross Settlement Amount and Star Investment and Phillip
10 Elghanian shall pay One Hundred Twenty-Five Thousand Dollars and Zero Cents (\$125,000.00)
11 towards the Gross Settlement Amount for a total of Two Hundred Fifty Thousand Dollars and Zero
12 Cents (\$250,000.00). Defendants shall pay the Employer Taxes separately and in addition to the
13 Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross
14 Settlement Payment will return to Defendants. The Gross Settlement Amount is subject to increase,
15 as provided in Paragraph 13.

16 q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
17 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
18 calculated in accordance with Paragraph 15.

19 r. “Individual Settlement Payment” means the net payment of each Settlement
20 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
21 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
22 Paragraph 16.

23 s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
24 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
25 in accordance with Paragraph 14.

26 t. “LWDA Payment” means the amount of Fifteen Thousand Dollars and Zero
27 Cents (\$15,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the LWDA
28 under the PAGA Settlement, as set forth in Paragraph 11.

1 u. “Net Settlement Amount” means the portion of the Gross Settlement Amount
2 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
3 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and
4 Settlement Administration Costs.

5 v. “Notice of Objection” means a Settlement Class Member’s written objection to
6 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
7 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
8 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
9 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
10 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
11 specified address, postmarked on or before the Response Deadline.

12 w. “PAGA Amount” means the allocation of Twenty Thousand Dollars and Zero
13 Cents (\$20,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
14 percent (75%) of the PAGA Amount, or \$15,000.00, will be paid to the LWDA (i.e., the LWDA
15 Payment) and the remaining twenty-five percent (25%), or \$5,000.00, will be distributed to the PAGA
16 Employees (i.e., the PAGA Employee Amount).

17 x. “PAGA Employees” means all current and former non-exempt and/or hourly-
18 paid employees who worked for Defendants in the State of California at any time during the PAGA
19 Period, but excluding all employees who signed a Settlement Agreement and General Release with
20 Supreme.

21 y. “PAGA Employee Amount” means the amount of Five Thousand Dollars and
22 Zero Cents (\$5,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on a
23 *pro rata* basis based on their PAGA Workweeks.

24 z. “PAGA Period” means the period from June 7, 2020 through February 8, 2024.

25 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA
26 Claims.

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1 bb. “PAGA Workweeks” means the number of weeks each PAGA Employee
2 worked for Defendants as a non-exempt and/or hourly-paid employee in California during the PAGA
3 Period.

4 cc. “Preliminary Approval” means the date on which the Court enters the
5 Preliminary Approval Order.

6 dd. “Preliminary Approval Order” means the order granting preliminary approval
7 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
8 the Court.

9 ee. “Released Class Claims” means any and all claims, debts, liabilities, demands,
10 obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were
11 alleged or which could have been alleged based on the factual allegations in the Operative Complaints,
12 arising during the Class Period, under any federal, state, or local law, and shall specifically include
13 claims for Defendants’ alleged failure to pay overtime and minimum wages, pay reporting time pay,
14 provide compliant meal and rest periods and associated premium payments, provide accurate itemized
15 wage statements, and timely pay wages upon termination in violation of California Labor Code
16 Sections 201, 202, 203, 204, 218, 226, 226.7, 432, 510, 512(a), 1021.5, 1174(d), 1194, 1194.2, 1197,
17 1197.1, 1198, and 1198.5, and Industrial Welfare Commission Wage Orders, and all claims for
18 attorneys’ fees and costs and statutory interest in connection therewith, California Business and
19 Professions Code sections 17200, *et seq.*, 8 Cal. Code Regs. Tit. 9 Section 11090 subd. 5, indemnity
20 and contribution, and any other claims, including claims for statutory penalties, pertaining to the Class
21 Members.

22 ff. “Released PAGA Claims” means any and all claims arising from any of the
23 factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the
24 Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all
25 claims for attorneys’ fees and costs related thereto, for Supreme’s alleged failure to pay overtime and
26 minimum wages, provide compliant meal and rest periods and associated premium payments, timely
27 pay wages during employment and upon termination, keep accurate payroll records, provide accurate
28 itemized wage statements, and produce employee records for inspection in violation of California

1 Labor Code Sections 201, 202, 203, 204, 226(a), 226(b), 226(c), 226.7, 432, 510, 512(a), 1174(d),
2 1194, 1197, 1197.1, 1198, and 1198.5, and Industrial Welfare Commission Wage Orders, including
3 *inter alia*, Wage Order 9-2001.

4 gg. “Released Parties” means Defendants and their current and former officers,
5 directors, members, attorneys, insurers, shareholders, owners, subsidiaries, affiliates, predecessors,
6 successors, and assigns.

7 hh. “Request for Exclusion” means a letter submitted by a Class Member indicating
8 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
9 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and
10 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
11 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
12 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

13 ii. “Response Deadline” means the deadline by which Class Members must submit
14 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
15 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
16 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
17 case the Response Deadline will be extended to the next day on which the United States Postal service
18 is open. The Response Deadline may also be extended by express agreement between Class Counsel
19 and Defendants’ Counsel. Under no circumstances, however, will the Settlement Administrator have
20 the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class
21 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days
22 from the original Response Deadline.

23 jj. “Settlement Administrator” means Apex Class Action LLC, or any other third-
24 party class action settlement administrator agreed to by the Parties and approved by the Court for
25 purposes of administering the Settlement. The Parties and their counsel each represent that they do
26 not have any financial interest in the Settlement Administrator or otherwise have a relationship with
27 the Settlement Administrator that could create a conflict of interest.

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1 9. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application
2 or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the Gross
3 Settlement Amount (i.e., \$83,333.33 if the Gross Settlement Amount is \$250,000.00) and
4 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
5 of the Action, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), both
6 of which will be paid from the Gross Settlement Amount. These amounts will cover any and all work
7 performed and any and all costs incurred by Class Counsel in connection with the litigation of the
8 Action, including without limitation all work performed and costs incurred to date, and all work to be
9 performed and all costs to be incurred in connection with obtaining the Court's approval of this
10 Settlement Agreement, including any objections raised and any appeals necessitated by those
11 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
12 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
13 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
14 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
15 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

16 10. Enhancement Payment. Defendants agree not to oppose or impede any application or
17 motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars and Zero
18 Cents (\$10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement
19 Amount, subject to Court approval, will be in addition to his Individual Settlement Payment as a
20 Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be
21 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
22 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
23 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment
24 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the
25 benefit of the Settlement Class Members.

26 11. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
27 Twenty Thousand Dollars and Zero Cents (\$20,000.00) shall be allocated from the Gross Settlement
28 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section

1 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$15,000.00, will be
2 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$5,000.00, will be
3 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the
4 total number of PAGA Workweeks worked by each PAGA Employee during the PAGA Period (i.e.,
5 the Individual PAGA Payments).

6 12. Settlement Administration Costs. The Settlement Administrator will be paid for the
7 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
8 which is currently not to exceed Six Thousand Dollars and Zero Cents (\$6,000.00). These costs, which
9 will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*,
10 translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other
11 documents for the Settlement, calculating and distributing payments due under the Settlement, issuing
12 of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances,
13 providing necessary reports and declarations, and other duties and responsibilities set forth herein to
14 process the Settlement, and as requested by the Parties. To the extent the actual Settlement
15 Administrator's costs are greater than the estimated amount stated herein, such excess amount will be
16 deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the
17 estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required
18 to fulfill payment to the Settlement Administrator to undertake the required settlement administration
19 duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class
20 Members.

21 13. Escalator Clause. Defendants have represented that the Class Members worked a total
22 of 3,899 Workweeks during the Class Period. If it is determined by the Settlement Administrator that
23 the total number of Workweeks worked by the Class Members during the Class Period actually
24 exceeds 3,899 by more than 5% (i.e., by more than 4,094 Workweeks), then the Gross Settlement
25 Amount will be increased on a *pro rata* basis for each additional Workweek above 3,899.

26 14. Individual Settlement Share Calculations. Individual Settlement Shares will be
27 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
28 Workweeks, as follows:

1 a. After Preliminary Approval, the Settlement Administrator will divide the Net
2 Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek
3 Value,” and multiply each Class Member’s individual Workweeks by the Estimated Workweek Value
4 to yield each Class Member’s estimated Individual Settlement Share that each Class Member may be
5 entitled to receive under the Class Settlement.

6 b. After Final Approval, the Settlement Administrator will divide the final Net
7 Settlement Amount by the Workweeks of all Settlement Class Members to yield the “Final Workweek
8 Value,” and multiply each Settlement Class Member’s individual Workweeks by the Final Workweek
9 Value to each Settlement Class Member’s final Individual Settlement Share.

10 15. Individual PAGA Payment Calculations. Individual PAGA Payments will be
11 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees’
12 number of PAGA Workweeks, as follows: The Settlement Administrator will divide the PAGA
13 Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA
14 Employees to yield the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual
15 PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual
16 PAGA Payment.

17 16. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
18 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty
19 percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be
20 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages
21 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
22 Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages
23 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
24 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes
25 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross
26 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
27 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

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1 17. Administration of Taxes by the Settlement Administrator. The Settlement
2 Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA
3 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
4 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
5 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
6 taxes and other legally required withholdings to the appropriate government authorities.

7 18. Tax Liability. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel do not
8 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
9 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
10 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
11 by Defendants, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
12 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
13 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
14 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
15 Members, and PAGA Employees should consult with their tax advisors concerning the tax
16 consequences of any payment they receive under the Settlement.

17 19. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
18 (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
19 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
20 "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
21 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
22 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS
23 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
24 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
25 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
26 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
27 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
28 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)

1 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
2 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
3 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
4 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
5 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
6 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
7 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX
8 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
9 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
10 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
11 CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

12 20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
13 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
14 are issued to the payee. It is expressly understood and agreed that payments made under this
15 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee
16 to additional compensation or benefits under any new or additional compensation or benefits, or any
17 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
18 nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased
19 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
20 any contrary language or agreement in any benefit or compensation plan document that might have
21 been in effect during the Class Period).

22 21. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
23 Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for
24 Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will
25 be responsible for drafting, and submit this Settlement Agreement to the Court in support of said
26 motion. Class Counsel will provide Defendants' Counsel a draft of the preliminary approval motion
27 before filing it with the Court. Defendants agree not to oppose the motion for preliminary approval
28 of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will

1 apply for the entry of the Preliminary Approval Order seeking the following:

- 2 a. Conditionally certifying the Class for settlement purposes only;
- 3 b. Granting Preliminary Approval of the Settlement;
- 4 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 5 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 6 e. Approving as to form and content, the mutually-agreed upon and proposed
- 7 Class Notice and directing its mailing by First Class U.S. Mail;
- 8 f. Approving the manner and method for Class Members to request exclusion
- 9 from or object to the Class Settlement as contained herein and within the Class Notice;
- 10 g. Scheduling a Final Approval Hearing at which the Court will determine whether
- 11 Final Approval of the Settlement should be granted.

12 22. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
13 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary
14 approval of the Settlement.

15 23. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
16 Defendants will provide the Class List to the Settlement Administrator.

17 24. Notice by First-Class U.S. Mail.

18 a. Within seven (7) calendar days after receiving the Class List from Defendants,
19 the Settlement Administrator will perform a search based on the National Change of Address Database
20 or any other similar services available, such as provided by Experian, for information to update and
21 correct for any known or identifiable address changes, and will mail a Class Notice in English and
22 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via
23 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
24 Administrator.

25 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
26 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
27 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
28 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly

1 attempt to determine the correct address using a skip-trace or other search, using the name, address,
2 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
3 calendar days.

4 c. Compliance with the procedures described herein above shall constitute due and
5 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
6 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendants' Counsel to
7 provide notice of the Settlement.

8 25. Disputes Regarding Workweeks and/or PAGA Workweeks. Class Members will have
9 an opportunity to dispute the number of Workweeks and/or PAGA Workweeks to which they have
10 been credited, as reflected in their respective Class Notices, by submitting a timely and valid
11 Workweeks Dispute to the Settlement Administrator, by mail, postmarked on or before the Response
12 Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to
13 determine whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the
14 accuracy of Defendants' records and data as they pertain to the number of Workweeks and/or PAGA
15 Workweeks to be credited to a disputing Class Member, Defendants' records will be presumed to be
16 correct and determinative of the dispute. However, if a Class Member produces information and/or
17 documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the
18 Class Member and the Settlement Administrator will resolve and determine the number of eligible
19 Workweeks and/or PAGA Workweeks that the disputing Class Member should be credited with under
20 the Settlement. The Settlement Administrator's decision on such disputes will be final and non-
21 appealable.

22 26. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
23 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
24 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
25 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
26 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
27 Counsel and Defendants' Counsel the number of timely and valid Requests for Exclusion that are
28 submitted, and also identify the individuals who have submitted a timely and valid Request for

1 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
2 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
3 to request exclusion from the Class Settlement. Any Class Member who submits a Request for
4 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
5 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will
6 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
7 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion
8 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining
9 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants
10 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to
11 the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
12 submit a Request for Exclusion.

13 27. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
14 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
15 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
16 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
17 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants'
18 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
19 and complete and which were not), and also attach them to a declaration that is to be filed with the
20 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
21 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
22 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
23 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
24 whether they have submitted a Notice of Objection.

25 28. Reports by the Settlement Administrator. The Settlement Administrator shall provide
26 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
27 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the
28 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of

1 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement
2 Administrator will provide to counsel for the Parties any updated reports regarding the administration
3 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it
4 receives a request from an individual or any other entity regarding inclusion in the Class and/or
5 Settlement or regarding a Workweeks Dispute.

6 29. Defendants' Right to Rescind. If more than ten percent (10%) of the Class Members
7 submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement
8 Agreement. Defendants must exercise this right of rescission in writing that is provided to Class
9 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
10 the number of Class Members who have submitted timely and valid Requests for Exclusion following
11 the Response Deadline. If Defendants exercises this option, Defendants shall pay any costs of
12 settlement administration owed to the Settlement Administrator incurred up to that date.

13 30. Certification of Completion. Upon completion of administration of the Settlement, the
14 Settlement Administrator will provide a written declaration under oath to certify such completion to
15 the Court and counsel for all Parties.

16 31. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
17 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
18 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
19 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
20 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final
21 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
22 Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
23 Settlement. Class Counsel will provide Defendants' Counsel a draft of the final approval motion
24 before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final
25 Approval Order and Judgment, which will provide for, in substantial part, the following:

26 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
27 consummation of its terms and provisions;

28 b. Certification of the Settlement Class;

- 1 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
2 d. Approval of the application for Enhancement Payment to Plaintiff;
3 e. Directing Defendants to fund all amounts due under the Settlement Agreement
4 and ordered by the Court; and
5 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
6 conformity with California Rules of Court 3.769 and the Settlement Agreement.

7 32. Funding of the Gross Settlement Amount. No later than ten (10) business days after
8 the Effective Date, Defendants will deposit the Gross Settlement Amount into a Qualified Settlement
9 Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established
10 by the Settlement Administrator. Defendants shall provide all information necessary for the
11 Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state
12 unemployment insurance tax ID number, and other information requested by the Settlement
13 Administrator, no later than ten (10) business days after the Effective Date.

14 33. Distribution of the Gross Settlement Amount. Within ten (10) business days of the
15 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
16 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
17 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
18 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
19 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
20 timely forward these to the appropriate government authorities.

21 34. Settlement Checks. The Settlement Administrator will be responsible for undertaking
22 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
23 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
24 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
25 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
26 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
27 Members and PAGA Employees are not required to submit a claim to be issued an Individual
28 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)

1 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
2 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
3 of California's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA
4 Employee. The Parties agree that this disposition results in no "unpaid residue" under California Civil
5 Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class
6 Members, whether or not they cash their settlement checks. Therefore, Defendants will not be required
7 to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or
8 supplemental tax filings and reporting required under applicable local, state, and federal tax laws that
9 are necessitated due to the cancelation of any Individual Settlement Payment and/or Individual PAGA
10 Payment checks. Settlement Class Members whose Individual Settlement Payment checks are
11 canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees whose
12 Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by the PAGA
13 Settlement.

14 35. Class Settlement Release. Upon the full funding of the Gross Settlement Amount,
15 Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released,
16 settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

17 36. PAGA Settlement Release. Upon the full funding of the Gross Settlement Amount,
18 Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will
19 be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and
20 discharged the Released Parties of all Released PAGA Claims.

21 37. Plaintiff's General Release. Upon the full funding of the Gross Settlement Amount,
22 Plaintiff, individually and on his own behalf, will be deemed to have fully, finally, and forever
23 released, settled, compromised, relinquished, and discharged the Released Parties from any and all
24 claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages,
25 or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected,
26 asserted or unasserted, which Plaintiff, at any time of execution of this Settlement Agreement, had or
27 claimed to have or may have, including but not limited to any and all claims arising out of, relating to,
28 or resulting from his employment and/or separation of employment with the Released Parties,

1 including any claims arising under any federal, state, or local law, statute, ordinance, rule, or regulation
2 or Executive Order relating to employment, including, but in no way limited to, any claim under Title
3 VII of the Civil Rights Act of 1964, as amended (“Title VII”), 42 U.S.C. § 1981; the Americans with
4 Disabilities Act (“ADA”); the Family and Medical Leave Act (“FMLA”); the Employee Retirement
5 Income Security Act (“ERISA”); the California Family Rights Act (“CFRA”); the California Fair
6 Employment and Housing Act (“FEHA”); all claims for wages or penalties under the Fair Labor
7 Standards Act (“FLSA”); all claims for wages or penalties under the California Labor Code; Business
8 and Professions Code sections 17200 *et seq.*; all laws relating to violation of public policy, retaliation,
9 or interference with legal rights; any and all other employment or discrimination laws; whistleblower
10 claims; any tort, fraud, or constitutional claims; and any breach of contract claims or claims of
11 promissory estoppel. It is agreed that this is a general release and is to be broadly construed as a
12 release of all claims, provided that, notwithstanding the foregoing, this Paragraph expressly does not
13 include a release of any claims that cannot be released hereunder by law. Plaintiff understands and
14 expressly agrees that this Settlement Agreement extends to claims that he has against Defendants, of
15 whatever nature and kind, known or unknown, suspected or unsuspected, vested or contingent, past,
16 present, or future, arising from or attributable to an incident or event, occurring in whole or in part, on
17 or before the execution of this Settlement Agreement. Any and all rights granted under any state or
18 federal law or regulation limiting the effect of this Settlement Agreement, including the provisions of
19 Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of
20 the California Civil Code reads as follows:

21 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
22 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
23 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM**
24 **OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
25 **THE DEBTOR OR RELEASED PARTY.**

26 38. Final Approval Order and Judgment. The Parties shall provide the Settlement
27 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
28 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for

1 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
2 Class will be required.

3 39. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
4 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
5 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
6 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
7 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
8 Settlement Agreement.

9 40. Effects of Termination or Rescission of Settlement. Termination or rescission of the
10 Settlement Agreement shall have the following effects:

11 a. The Settlement Agreement shall be void and shall have no force or effect, and
12 no Party shall be bound by any of its terms;

13 b. In the event the Settlement Agreement is terminated, Defendants shall have no
14 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
15 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
16 Administrator is notified that the Settlement has been terminated;

17 c. The Preliminary Approval Order, Final Approval Order and Judgment,
18 including any order certifying the Class, shall be vacated;

19 d. The Settlement Agreement and all negotiations, statements, and proceedings
20 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
21 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

22 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
23 statements, or filings in furtherance of the Settlement (including all matters associated with the
24 mediation) shall be admissible or offered into evidence in the Action or any other action for any
25 purpose whatsoever; and

26 f. Any documents generated to bring the Settlement into effect, will be null and
27 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
28 likewise be treated as void from the beginning.

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

5 42. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
6 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
7 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

8 43. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
13 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
14 which provide that a written agreement is to be construed according to its terms and may not be varied
15 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
16 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

17 44. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
18 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
19 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
20 Approval Hearing to be conducted by the Court.

21 45. Amendment or Modification. Prior to the filing of the motion for preliminary approval
22 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
23 except by written agreement signed by counsel for all Parties. After the filing of the motion for
24 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
25 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
26 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
27 constitute a waiver of any other provision.

28 46. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant

1 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
2 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
3 full authority to enter into this Settlement Agreement, and further intend that this Settlement
4 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
5 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
6 confidentiality provisions that otherwise might apply under state or federal law.

7 47. Signatories. It is agreed that because the members of the Class are so numerous, it is
8 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
9 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
10 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
11 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
12 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
13 Member and PAGA Employee.

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

16 49. California Law Governs. All terms of this Settlement Agreement and attached exhibits
17 hereto will be governed by and interpreted according to the laws of the State of California.

18 50. Execution and Counterparts. This Settlement Agreement is subject only to the
19 execution of all Parties. However, this Settlement Agreement may be executed in one or more
20 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
21 copies of the signature page, will be deemed to be one and the same instrument.

22 51. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
23 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
24 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
25 account all relevant factors, present and potential. The Parties further acknowledge that they are each
26 represented by competent counsel and that they have had an opportunity to consult with their counsel
27 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
28 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to

1 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

2 52. Invalidity of Any Provision. Before declaring any provision of this Settlement
3 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
4 possible consistent with applicable precedents so as to define all provisions of this Settlement
5 Agreement valid and enforceable.

6 53. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
7 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
8 to implement the Settlement.

9 54. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
10 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
11 continued litigation. In entering into this Settlement Agreement, Defendants do not admit, and
12 specifically deny, they have violated any federal, state, or local law; violated any regulations or
13 guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal
14 requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation
15 or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this
16 Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with
17 it, shall be construed as an admission or concession by Defendants of any such violations or failures
18 to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
19 Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or
20 received as evidence in any action or proceeding to establish any liability or admission on the part of
21 Defendants or to establish the existence of any condition constituting a violation of, or a non-
22 compliance with, federal, state, local or other applicable law.

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

26 56. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
27 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
28 construed more strictly against one Party than another merely by virtue of the fact that it may have

1 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
2 negotiations between the Parties, all Parties have contributed equally to the preparation of this
3 Settlement Agreement.

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

8 58. All Terms Subject to Final Court Approval. All amounts and procedures described in
9 this Settlement Agreement herein will be subject to final Court approval.

10 59. Notices. All notices, demands, and other communications to be provided concerning
11 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
12 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
13 as follows:

14 To Plaintiff and Class Counsel:

15 Jonathan M. Genish

16 jgenish@blackstonepc.com

17 Miriam L. Schimmel

18 mschimmel@blackstonepc.com

19 Joana Fang

20 jfang@blackstonepc.com

21 Alexandra Rose

22 arose@blackstonepc.com

23 Jared Osborne

24 josborne@blackstonepc.com

25 **BLACKSTONE LAW, APC**

26 8383 Wilshire Boulevard, Suite 745

27 Beverly Hills, California 90211

28 Tel: (310) 622-4278 / Fax: (855) 786-6356

To Supreme:

David P. Beitchman

dbeitchman@bzlegal.com

Paul Tokar

ptokar@bzlegal.com

BEITCHMAN & ZEKIAN, P.C.

16130 Ventura Boulevard, Suite 570

Encino, California 91436

Tel: (818) 986-9100 / Fax: (818) 986-9119

To Star Investment and Phillip Elghanian:
Ali R. Moghaddami
armoghilaw@gmail.com
LAW OFFICES OF ALI R. MOGHADDAMI
333 East Glenoaks Boulevard, Suite 202
Glendale, California 91207
Tel: (818) 500-4111 / Fax: (818) 500-4144

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendants:

IT IS SO AGREED.

Dated: 04/16/2024


PLAINTIFF AURELIO AGUILAR



Plaintiff Aurelio Aguilar

Dated: 04 / 10 / 2024

DEFENDANT SUPREME CAR WASH, INC.



Full Name: Levon Dobadzhyan

Title: Secretary
On behalf of Defendant Supreme Car Wash, Inc.

Dated: _____

CROSS- DEFENDANT STAR INVESTMENT CARWASH, INC.

Full Name: _____
Title: _____
On behalf of Cross-Defendant Star Investment Carwash, Inc.

To Star Investment and Phillip Elghanian:
Ali R. Moghaddami
armoghilaw@gmail.com
LAW OFFICES OF ALI R. MOGHADDAMI
333 East Glenoaks Boulevard, Suite 202
Glendale, California 91207
Tel: (818) 500-4111 / Fax: (818) 500-4144

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendants:

IT IS SO AGREED.

PLAINTIFF AURELIO AGUILAR

Dated: _____

Plaintiff Aurelio Aguilar

DEFENDANT SUPREME CAR WASH, INC.

Dated: 04 / 02 / 2024

[Signature]

Full Name: North Star Car Wash

Title: Secretary
On behalf of Defendant Supreme Car Wash, Inc.

CROSS- DEFENDANT STAR INVESTMENT CARWASH, INC.

Dated: 4/10/2024

[Signature]

Full Name: Philip Elghanian

Title: President
On behalf of Cross-Defendant Star Investment Carwash, Inc.

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CROSS-DEFENDANT PHILLIP ELGHANIAN

Dated: 4/10/2024




Cross-Defendant Phillip Elghanian

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC


Dated: 4/17/2024



Jonathan M. Genish
Attorneys for Plaintiff Aurelio Aguilar and Proposed Class Counsel

BEITCHMAN & ZEKIAN, P.C.

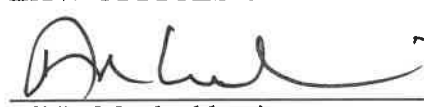
Dated: 04 / 02 / 2024



David P. Beitchman
Paul Tokar
Attorneys for Defendant Supreme Car Wash, Inc.

LAW OFFICES OF ALI R. MOGHADDAMI

Dated: 4/11/2024



Ali R. Moghaddami
Attorneys for Cross-Defendants Star Investment Carwash, Inc. and Philip Elghanian

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Aurelio Aguilar v. Supreme Car Wash, Inc.
Superior Court of California for the County of Los Angeles, Case No. 21STCV29696

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Aurelio Aguilar ("Plaintiff"), Defendant Supreme Car Wash, Inc. ("Supreme"), and Cross-Defendants Star Investment Carwash, Inc. ("Star Investment") and Phillip Elghanian (collectively, Supreme, Star Investment, and Phillip Elghanian are referred to as "Defendants") (Plaintiff and Defendants are collectively referred to as the "Parties") in the case entitled *Aurelio Aguilar v. Supreme Car Wash, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29696 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member" means all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the Class Period, but excluding all employees who signed a Settlement Agreement and General Release with Supreme.

"Class Period" means the period from August 11, 2017 through February 8, 2024.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employees" means all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the PAGA Period, but excluding all employees who signed a Settlement Agreement and General Release with Supreme.

"PAGA Period" the period from June 7, 2020 through February 8, 2024.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On June 7, 2021, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Supreme of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On August 11, 2021, Plaintiff filed a Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 *Et Seq.* ("Complaint") in the Action, thereby commencing a putative class action and representative action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA") against Supreme. On December 3, 2021, Supreme filed a Cross-Complaint ("Cross-Complaint") against Star Investment and Phillip Elghanian in the Action. The Complaint and Cross-Complaint are collectively referred to as the "Operative Complaints."

The Operative Complaints allege eleven (11) causes of action for violations of the California Labor Code for failure to pay overtime wages, failure to pay minimum wages, failure to pay reporting time pay, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to provide accurate itemized wage statements, and failure to timely pay wages upon termination, for violations of

California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, for civil penalties under PAGA based on the aforementioned California Labor Code violations, and for indemnity and contribution.

Defendants deny all of the allegations in the Action or that they violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action LLC as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Aurelio Aguilar as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Alexandra Rose
Jared Osborne
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed 1/3 of the Gross Settlement Amount (i.e., \$83,333.33), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for his services in the Action; (3) the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$15,000.00) (“LWDA Payment”) and the remaining 25% (\$5,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Six Thousand Dollars and Zero Cents (\$6,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement

Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendants as a non-exempt and/or hourly-paid employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of weeks each PAGA Employee worked for Defendants as a non-exempt and/or hourly-paid employee in California during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendants’ Records

According to Defendants’ records:

- **From August 11, 2017 through February 8, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks at Supreme and [REDACTED] Workweeks at Star Investment for a total of [REDACTED] Workweeks.**
- **From June 7, 2020 through February 8, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Workweeks at Supreme and [REDACTED] PAGA Workweeks at Star Investment for a total of [REDACTED] PAGA Workweeks.**

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Action (*Aurelio Aguilar v. Supreme Car Wash, Inc.*, Case No. 21STCV29696); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Workweeks credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaints, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendants’ alleged failure to pay overtime and minimum wages, pay reporting time pay, provide compliant meal and rest periods and associated premium payments, provide accurate itemized wage statements, and timely pay wages upon termination in violation of California Labor Code Sections 201, 202, 203, 204, 218, 226, 226.7, 432, 510, 512(a), 1021.5, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, and 1198.5, and Industrial Welfare Commission Wage Orders, and all claims for attorneys’ fees and costs and statutory interest in connection therewith, California Business and Professions Code sections 17200, *et seq.*, 8 Cal. Code Regs. Tit. 9 Section 11090 subd. 5, indemnity and contribution, and any other claims, including claims for statutory penalties, pertaining to the Class Members.

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Supreme’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, keep accurate payroll records, provide accurate itemized wage statements, and produce employee records for inspection in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226(b), 226(c), 226.7, 432, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, and 1198.5, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order 9-2001.

“Released Parties” means Defendants and their current and former officers, directors, members, attorneys, insurers, shareholders, owners, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$83,333.33) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid

any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Six Thousand Dollars and Zero Cents (\$6,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Aurelio Aguilar v. Supreme Car Wash, Inc.*, Case No. 21STCV29696); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be

bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Aurelio Aguilar v. Supreme Car Wash, Inc.*, Case No. 21STCV29696); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

The Court will hear from any Settlement Class Member who attends the Final Approval Hearing and asks to speak regarding their objection, regardless of whether they have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 14 of the Los Angeles County Superior Court, located at Spring Street Courthouse, 312 North Spring Street, Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to. You may appear at the Final Approval Hearing remotely using LACourtConnect (<https://my.lacourt.org/laccwelcome>).

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action for a fee by making an appointment in advance and visiting the civil clerk’s office during business hours, located at Stanley Mosk Courthouse, 111 North Hill Street, California 90012, or by online by visiting the following website: <https://www.lacourt.org/>

You may also visit the Settlement Administrator’s website at **[redacted]** for more information and documents relating to the Settlement, including the Final Approval Order and Judgment.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**