

STIPULATION OF SETTLEMENT AND RELEASE

This Stipulation of Settlement and Release (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiffs Amanda Patterson and Matthew Medina (“Plaintiffs” or “Class Representatives”), individually and on behalf of all members of the Settlement Class (defined below), and Defendant FinishMaster, Inc. (“Defendant”) (Plaintiffs and Defendant are collectively referred to herein as the “Parties” and individually as “Party”).

Plaintiffs are represented by Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of Lawyers *for* Justice, PC. Defendant is represented by Mary Dollarhide and Taylor Wemmer of DLA Piper LLP (US) (“Defendant’s Counsel”).

Plaintiff Patterson filed her Class Action Complaint for Damages against Defendant on May 3, 2019 in Contra Costa County Superior Court, Case No. C19-00878 (“Patterson Action” or “Lawsuit”). Plaintiff Medina filed his Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. on August 8, 2019 in Ventura County Superior Court, Case No. 56-2019-00531639-CU-OE-VTA (“Medina Action”). On December 30, 2019, Plaintiff Patterson filed the Second Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Operative Complaint”) in the Patterson Action, adding Plaintiff Medina and his PAGA cause of action to the Lawsuit. On January 24, 2020, the Medina Action was dismissed without prejudice.

The Lawsuit alleges that Defendant failed to pay all overtime wages, failed to provide compliant meal periods and associated premiums, failed to provide compliant rest periods and associated premiums, failed to pay all minimum wages, failed to provide all wages at time of termination, failed to pay all wages timely during employment, failed to provide compliant wage statements, failed to keep requisite payroll records, failed to reimburse all necessary business expenses, engaged in unfair competition in violation of California Business and Professions Code § 17200, *et seq.*, and violated the Private Attorneys General Act, California Labor Code § 2698, *et seq.* (“PAGA”).

On March 6, 2020, the Parties, by and through their respective counsel, engaged in a full-day private mediation with Antonio Piazza in Los Angeles, California and reached a binding agreement, documented in a one-page handwritten agreement to settle the Lawsuit on the terms set forth therein and further documented in this Settlement Agreement. That one-page document, attached hereto as Exhibit A, is hereby incorporated by reference.

As a material term of this Settlement, Plaintiffs agree to move the Court in the Lawsuit for preliminary approval of the Settlement. To the extent that the motion for preliminary approval of the Settlement is consistent with the terms agreed to herein, Defendant agrees to not oppose preliminary approval.

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Given the uncertainty of litigation, the Parties wish to settle the Lawsuit and Released Claims, on behalf of Plaintiffs and the Settlement Class. Accordingly, the Parties agree as follows:

1. Certification of Settlement Class.

- A. For purposes of this Settlement Agreement only, the Parties stipulate to certification of the following class:

All current and former hourly-paid and non-exempt employees in the state of California who worked for Defendant from May 3, 2015 through the date that the Court grants preliminary approval of the Settlement, excluding three individuals who have already entered into individual settlements with Defendant (the “Class”).

The period from May 3, 2015 through the date that the Court grants preliminary approval of the Settlement, is referred to herein as the “Class Period.”

Any hourly-paid and non-exempt employee who worked for Defendant in California during any portion of the Class Period is referred to herein as a “Class Member(s).”

Any Class Member who does not submit a timely and valid Request for Exclusion, as defined below, is a “Settlement Class Member(s).” Collectively, the Settlement Class Members are referred to herein as the “Settlement Class.”

- B. All Settlement Class Members will be bound to the Settlement Agreement and the release of Released Claims and eligible to receive a distribution under this Settlement. Any Class Member who submits a timely and valid Request for Exclusion, as defined below, shall not be considered a Settlement Class Member, and will not be bound to the Settlement or eligible to receive a distribution under this Settlement.
- C. The Parties agree that certification for the purpose of settlement is not an admission that class certification is proper under Section 382 of the California Code of Civil Procedure, or Rule 23 of the Federal Rules of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement. In such an event, neither the Settlement-related documents, nor the negotiations leading to the Settlement, may be used as evidence for any purpose. Further, in such event, Defendant shall retain the right to challenge all claims and allegations in the Lawsuit, to assert all applicable defenses, and to dispute the propriety of class action certification on all applicable grounds, and Plaintiffs shall retain the right to pursue all claims and allegations in the Lawsuit,

to assert the propriety of class action certification, and to oppose any attempted removal to federal court.

2. Settlement Class Members' Released Claims. Plaintiffs and every member of the Settlement Class, will release and discharge Defendant, and all of its former and present parents and subsidiaries, and their current and former officers, directors, employees, partners, shareholders and agents, and the predecessors, successors, assigns, and legal representatives of all such entities and individuals (collectively, the "Released Parties") as follows:

Plaintiffs and Settlement Class Members will release the Released Parties from any and all wage-and-hour claims, rights, demands, liabilities and causes of action that that were pled or could have been pled based on the factual allegations in the Operative Complaint, arising during the Class Period, including, but not limited to, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, for the following categories of allegations: all claims for failure to pay wages for hours worked, including regular wages and overtime premium pay; all claims for failure to pay the minimum wage in accordance with applicable law; all claims for the failure to provide compliant meal and/or rest periods and associated premium pay in accordance with applicable law; all claims for recordkeeping violations; all claims for pay stub violations; all claims for failing to timely pay wages during employment and upon termination and associated waiting time penalties; all claims for unreimbursed business expenses; all claims under the California Business and Professions Code §§ 17200 *et. seq.* based on the aforementioned; and all claims for civil and statutory penalties, including and not limited to those recoverable under California Labor Code § 2698 *et seq.* ("PAGA"), based on the aforementioned (the "Released Claims").

3. Class Representatives' Released Claims. In consideration for all terms and payments contained in this Settlement Agreement and as of the Effective Date, Plaintiffs Patterson and Medina shall fully release Defendant and its former and current parents, subsidiaries, and affiliated corporations, their officers, directors, employees, partners, contractors, shareholders, agents, insurers, employee benefit plans, and any other successors, assigns, or legal representatives ("Parties Released by Class Representatives"), from any and all known and unknown claims, promises, causes of action, or similar rights of any type that they each may currently have for the period May 3, 2015 and through and including the Effective Date (as defined herein), under federal and state law, including but not limited to those raised in the Lawsuit or that could have been alleged in the Lawsuit, those arising from or related to their employment with Defendant, Plaintiffs agree and understand that Defendant and Plaintiffs have had a bona fide dispute regarding, *inter alia*, wages owed, claims for wages, premium and other forms of pay, unpaid/unreimbursed costs, penalties (including waiting time penalties and wage statement penalties), general damages, compensatory damages, liquidated damages, punitive damages, interest, attorneys' fees, litigation and other costs, expenses, restitution, equitable relief, declaratory relief, claims under any provision of the FLSA, the California Labor Code, California Industrial Welfare Commission Wage Orders, city or county Living Wage Ordinances, state or federal discrimination statutes, the California Government Code, the Unruh Civil Rights Act, California Civil Code, the California Constitution, the California Business and Professions Code (including but not limited to §§ 17200, *et seq.*), the United States Constitution, the Uniformed Services Employment and Reemployment

Rights Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000, *et seq.*, the Family and Medical Leave Act (to the extent not prohibited by law), the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.*, the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*, and all of their implementing regulations and interpretive guidelines (the “Class Representatives’ Released Claims”). Plaintiffs expressly waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and any other similar provision of applicable law, and do so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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 for the purpose of implementing a full and complete release and discharge of the Parties Released by Class Representatives, Plaintiffs expressly acknowledge that this Settlement Agreement is intended to include in its effect, without limitation, all claims which they do not know of or suspect to exist in their favor at the time of signing this Settlement Agreement.

4. Effective Date. The Settlement will become final and effective only upon the occurrence of all of the following events (and the date the Settlement becomes final and effective is referred to herein as the “Effective Date”): (a) the Court enters an order granting preliminary approval of the Settlement; (b) the Court enters a Final Approval Order and Judgment (as defined herein); (c) expiration of the time to file an appeal of the Final Approval Order and Judgment; and (d) if an objection was filed and not withdrawn and/or a notice of appeal of the Final Approval Order and Judgment was timely filed, then the date the objection and/or the appeal is finally resolved, with the Final Approval Order and Judgment being upheld on appeal.

5. Maximum Settlement Amount. As consideration, Defendant agrees to pay a non-reversionary Maximum Settlement Amount of One Million Nine Hundred Thousand Dollars (\$1,900,000) in full and complete settlement of this matter, as follows:

- A. The Parties agree to the appointment of Phoenix Settlement Administrators to perform the duties of a Settlement Administrator for the purpose of distributing the Class Notice to the Class Members, processing Pay Periods Disputes and Objections, and issuing payments to Settlement Class Members. All disputes relating to the Settlement Administrator’s ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement until all payments and obligations contemplated by the Settlement have been fully carried out.
- B. The Maximum Settlement Amount shall be deposited with the Settlement Administrator within twenty-one (21) calendar days after the Effective Date.

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C. The Maximum Settlement Amount includes:

- (1) All payments to the Settlement Class including the employee's and employer's portion of state and federal payroll taxes and withholding;
- (2) All costs of the Settlement Administrator associated with the administration of the Settlement, which are anticipated to be no greater than \$15,000 ("Settlement Administration Costs");
- (3) The amount of \$10,000 for each Plaintiff (totaling \$20,000) in recognition of each Plaintiff's contributions to the Lawsuit and each Plaintiff's service to the Settlement Class ("Enhancement Payment(s)"). In the event that the Court reduces the requested Class Representative Enhancement Payment, Plaintiffs shall not have the right to revoke the Settlement for that reason, and it will remain binding;
- (4) Attorneys' fees in the amount of thirty-eight percent (38%) of the Maximum Settlement Amount (\$722,000.00) plus actual litigation costs and expenses related to the Lawsuit, in an amount not to exceed \$25,000.00 (collectively, "Attorneys' Fees and Costs"), as supported by declaration. Defendant agrees to not oppose Plaintiff's request for Attorneys' Fees and Costs. Even in the event that the Court reduces the requested Attorneys' Fees and Costs, Plaintiffs shall not have the right to revoke this Settlement for that reason, and it will remain binding; and
- (5) The amount of \$150,000 of the Maximum Settlement Amount has been allocated by the Parties as civil penalties under PAGA ("PAGA Penalties"), and per California Labor Code § 2699(i), 75% of such penalties, or \$112,500.00, will be payable to the Labor & Workforce Development Agency for its share of PAGA penalties ("LWDA Payment"), and the remaining 25%, or \$37,500.00, will be payable to the Settlement Class. Even if the Court reduces or increases the requested PAGA Penalties, Plaintiffs shall not have the right to revoke this Settlement for that reason, and it will remain binding.

6. Preliminary Approval. As soon as practical after the full execution of this Settlement Agreement, Plaintiffs shall apply to the Court for the entry of an order:

- A. Conditionally certifying the Class for purposes of this Settlement Agreement;
- B. Preliminarily appointing Edwin Aiwazian, Arby Aiwazian, and Joanna Ghosh of Lawyers *for* Justice, PC as counsel for the Class ("Class Counsel");
- C. Preliminarily appointing Amanda Patterson and Matthew Medina as represented for the Class ("Class Representatives");
- D. Approving Phoenix Settlement Administrators as the third-party administrator for the Settlement ("Settlement Administrator");

- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice of Class Action Settlement (“Class Notice”) to be mailed to the Class Members to inform them of this Settlement, and directing the mailing of same by the Settlement Administrator;
- G. Approving the method and deadlines by which Class Members may seek to exclude themselves from the Settlement and method by which Settlement Class Member may seek to object to the Settlement; and
- H. Scheduling a Final Approval Hearing.

7. Notice to Class. Following preliminary approval of the Settlement, the Class shall be notified as follows:

- A. Defendant shall calculate the number of pay periods that each Class Member worked for Defendant as an hourly-paid or non-exempt employee during the Class Period in the state of California (“Pay Periods”). To calculate Pay Periods, Defendant shall review all of the pay stub information in the Company’s records for Class Members to calculate the number of Pay Periods during the relevant time frame.
- B. Within thirty (30) calendar days after entry of an order preliminarily approving this Settlement, Defendant will provide the Settlement Administrator with the last known full names, last known addresses, social security number, and Pay Periods for each and every Class Member, based on Defendant’s business records (“Class Data”).
- C. Within twenty-one (21) calendar days from receipt of the Class Data, the Settlement Administrator shall: (i) run the names of all Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Class Members; (ii) update the address of any Class Member for whom an updated address was found through the NCOA search; and (iii) mail the Class Notice to each Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing. The Class Notice shall include information regarding the nature of the Lawsuit, a summary of the substance of the Settlement, the Class Member definition, the number of Pay Periods credited to the Class Member, the procedure and deadline to submit a Pay Periods Dispute, the procedure and deadline for requesting exclusion or objecting to the Settlement, the date for the Final Approval Hearing, a description of how Individual Settlement Payments are calculated and an estimate of his or her Individual Settlement Payment, and information regarding the Plaintiffs’ attorney fees’ portion of the settlement, as detailed herein. The Class Notice shall be substantially in the form to be jointly agreed-upon by the Parties and submitted by Plaintiffs to the Court for approval as a part of the Motion for Preliminary Approval.

- D. Any Class Notices returned to the Settlement Administrator as undelivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Class Notice. If an updated mailing address is identified, the Settlement Administrator shall resend the Class Notice to the Class Member promptly, and in any event within three (3) business days of obtaining the updated address. Class Members to whom a Class Notice is re-sent after having been returned as undeliverable to the Settlement Administrator, shall have ten (10) business days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, and/or Pay Periods Dispute to the Settlement Administrator. Class Notices that are re-sent shall inform the recipient of this adjusted deadline.
- E. The deadline to submit a Request for Exclusion, Objection, and/or Pay Periods Dispute to the Settlement Administrator shall be within sixty (60) calendar days of the date of the initial mailing of the Class Notice (the “Response Deadline”).
- F. Requests for Exclusion. Any Settlement Class Member who wishes to opt out of the Settlement must submit a valid and timely request in writing to be excluded from the Settlement (“Request for Exclusion”).
- i. The Request for Exclusion must: (1) contain the case name and number of the *Patterson* Action; (2) contain the full name, address, telephone number, and last four digits of the social security number of the Class Member; (3) be signed by the Class Member; (4) contain a statement clearly indicating that the Class Member wishes to be excluded from the Settlement; and (5) be postmarked on or before the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not satisfy the requirements listed in items (1)-(5), it will not be deemed complete or valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who submits a valid and timely Request for Exclusion will not be a member of the Settlement Class, will not be entitled to any recovery under this Settlement Agreement, and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. If a Class Member submits both a Request for Exclusion and an Objection, then, the Request for Exclusion will be processed, and the Objection will be considered void.
 - ii. If more than five percent (5%) of the Class Members submit a valid Request for Exclusion (“opt out”), Defendant may, at its discretion, elect to rescind the Settlement by communicating that decision to both the Settlement Administrator and Class Counsel in writing within five (5) calendar days after the Settlement Administrator notifies the Parties that the 5% threshold

has been exceeded, which the Settlement Administrator shall do within five (5) calendar days after the Response Deadline. Should Defendant exercise this option, the Settlement Agreement and all actions taken in its furtherance shall be null and void and the Parties shall be equally responsible for any costs and fees incurred by the Settlement Administrator as of the date of rescission. If more than 5% of the Settlement Class Members opt out, the Parties reserve the right to renegotiate the terms of the Settlement in order to effectuate a final resolution.

- iii. Defendant represented that for the period May 3, 2015 to November 30, 2019, the Pay Periods totaled approximately 19,055. If the Settlement Administrator determines that, based on the Class Data, the Pay Periods for the period May 3, 2015 to November 30, 2019 were more than 20,961 (“Pay Periods Threshold”), then Plaintiffs shall have, in their sole discretion, the option to terminate this Settlement and the Parties shall proceed in all respects as if this Agreement had not been executed. For Plaintiffs to exercise the option to terminate this Settlement, all Plaintiffs must be in agreement to exercise the option and must provide written notice to Defendant’s Counsel within five (5) calendar days of receiving confirmation from the Settlement Administrator that the Pay Periods Threshold was exceeded or Defendant’s acknowledgment that the Pay Periods Threshold was exceeded, whichever is later. Should Plaintiffs exercise this option, the Settlement Agreement and all actions taken in its furtherance shall be null and void and the Parties shall be equally responsible for any costs and fees incurred by the Settlement Administrator as of the date of rescission. If the Pay Periods Threshold is exceeded, the Parties reserve the right to renegotiate the terms of the Settlement in order to effectuate a final resolution.
- iv. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Class Member to object to the Settlement or opt out of the Settlement Class, or encourage any Settlement Class Member to appeal from the Final Approval Order and Judgment.

- G. Objections. Settlement Class Members (i.e., Class Members who do not timely and validly opt out) may object to this Settlement by submitting a written objection (“Objection”) with the Settlement Administrator at the address specified in the Class Notice. An Objection must: (1) contain the case name and number of the *Patterson* Action; (2) contain the full name, address, telephone number, and last four digits of the social security number of the Class Member; (3) be signed by the Class Member; (4) contain an explanation of his or her objection(s) to the Settlement; (5) indicate whether the Class Member is represented by counsel, and if represented by counsel, provide the name and address of said counsel; (6) indicate whether Class Member intends to appear at the Final Approval Hearing; and (7) be postmarked on or before the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. Objections postmarked

after the Response Deadline will be untimely and therefore not considered. The Settlement Administrator shall provide copies of all objections that it receives to Class Counsel and Defendant's Counsel and submit all such objections with the Court by way of exhibits attached to a declaration. Defendant's Counsel and Class Counsel shall submit any responses to objections and serve them on the objecting Class Member or his or her counsel, at least nine (9) court days before the Final Approval Hearing.

- H. Pay Periods Disputes. Class Members will have the opportunity, should they disagree with the number of Pay Periods credited to them as reflected in the Class Notice, to submit a written dispute of the number of Pay Periods credited to them ("Pay Periods Dispute"). A Pay Periods Dispute must: (1) contain the case name and number of the *Patterson* Action; (2) contain the full name, address, telephone number, and last four digits of the social security number of the Class Member; (3) be signed by the Class Member; (4) contain a clear statement indicating that the Class Member disputes the Pay Periods credited to him or her and provide the number of Pay Periods that the Class Member contends should be credited to him or her; (5) attach documentation and/or an explanation to show that the Pay Periods credited to him or her are incorrect; and (6) be mailed to the Settlement Administrator at the address specified in the Class Notice and postmarked by the Response Deadline. Defendant will cooperate with the Settlement Administrator to provide information necessary to consider Pay Periods Disputes. If there is a dispute, Defendant's records will be presumed to be correct, unless that presumption is rebutted by the Class Member's showing. The Settlement Administrator will resolve the Pay Periods Dispute, but shall bring Pay Periods Disputes to the attention of both Class Counsel and Defendant's Counsel and advise them both of how the Pay Periods Dispute will be resolved. Any Pay Periods Disputes which remain unresolved prior to the Final Approval Hearing will be submitted to the Court for a final determination at the Final Approval Hearing.
- I. Defendant understands its legal obligation not to retaliate against the Class Members for their participation and/or election to participate in the benefits to be afforded any of them by the Settlement and/or the Lawsuit.
- J. Class Counsel should provide the Court, at least five (5) business days prior to the Final Approval Hearing, a declaration by the Settlement Administrator specifying the due diligence it has undertaken with regard to the mailing of the Class Notice and all other actions undertaken herein.

8. Final Approval. Following preliminary approval and the close of the period for submitting Requests for Exclusion, Objections, and Pay Periods Disputes under this Settlement Agreement, and so long as neither Party has exercised its right to rescind the Settlement Agreement, as described above, Plaintiffs shall apply to the Court for entry of an order granting final approval of the Settlement and judgment based thereon ("Final Approval Order and Judgment") as follows:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

- B. Certifying the Settlement Class;
- C. Appointing Plaintiffs as Class Representatives;
- D. Appointing Edwin Aiwasian, Arby Aiwasian, and Joanna Ghosh as Class Counsel.
- E. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, the Class Representatives' Enhancement Payments, Settlement Administrator costs, and payment to the LWDA for its share of PAGA penalties; and
- F. Entering judgment in accordance with California Rule of Court 3.769, such judgment to read "Judgment Approving Settlement with No Admission of Liability."

9. Payments to the Settlement Class. Settlement Class Members are not required to submit a claim form to receive their share of the Net Settlement Amount ("Individual Settlement Payment"). Individual Settlement Payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Attorneys' Fees and Costs, Enhancement Payments, Settlement Administration Costs, and the LWDA Payment. The remaining amount shall be known as the "Net Settlement Amount." To the extent the Court does not approve the full requested Attorneys' Fees and costs, Enhancement Payments, or Settlement Administration Costs, the Net Settlement Amount will increase by the difference in the amounts agreed to herein and by the amounts actually approved by the Court.
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member's Individual Settlement Payment based on the following formula: The Net Settlement Amount will be apportioned to each Settlement Class Member based on their proportionate number of Pay Periods, by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member's individual total Pay Periods, and the denominator of which is the total number of Pay Periods of all Settlement Class Members. One-third of each Individual Settlement Payment shall be considered wages ("Wages Portion") and subject to reduction for all applicable employee's and employer's share of payroll contributions and withholdings, which shall be reported by the Settlement Administrator on an IRS Form W-2. The Net Settlement Amount is inclusive of the employee's and employer's share of payroll contributions and withholdings and the Settlement Administrator shall be responsible for remitting said amounts to the appropriate taxing authorities. Two-thirds of each Individual Settlement Payment shall be allocated as interest, penalties, and other non-wage damages ("Non-Wages Portion"), which shall be reported by the Settlement Administrator on an IRS Form 1099.
- C. Within twenty-one (21) calendar days after the Court enters a Final Approval Order and Judgment, the Settlement Administrator will calculate the Settlement Class

Members' Individual Settlement Payments based on the formula set forth herein, and provide notice of said amounts to Class Counsel and Defendant's Counsel.

- D. Within ten (10) business days following the deposit of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will prepare and mail Individual Settlement Payments to Settlement Class Members.
- E. The Settlement Administrator will issue each Settlement Class Member an IRS Form 1099 for the Non-Wages Portion and an IRS Form W-2 for Wages Portion, less normal tax deductions and withholdings as required by law.
- F. No portion of any Class Member's Individual Settlement Payment shall be contributed to any investment plan (including a 401(k) plan) or any retirement and/or savings plan. Payments under this Settlement shall not be considered compensation under any of Defendant's employee benefit plans.
- G. The memorandum line of each Individual Settlement Payment check shall state: "Class Action Settlement."
- H. The Settlement Administrator's letter accompanying the Individual Settlement Payment checks shall state as follows:

"Previously, you received a notice regarding the lawsuit entitled *Amanda Patterson, et al. v. FinishMaster, Inc.* The lawsuit concerned a bona fide dispute regarding wages, meal period and rest period violations, and other alleged labor law violations. We are pleased to let you know that the lawsuit is now fully resolved. Enclosed is your settlement check."
- I. Each member of the Settlement Class who receives an Individual Settlement Payment check must cash or deposit that check within one hundred and eighty (180) calendar days from the date the Settlement Administrator mails it. Thereafter, Individual Settlement Payment checks will be cancelled, and any funds associated with cancelled Individual Settlement Payment checks will be transferred by the Settlement Administrator to the Controller of the State of California, Unclaimed Property Fund in the name of the Settlement Class Member whose check was cancelled. The failure to cash or deposit any check within 180 days shall in no way affect the binding nature of the Settlement or the binding nature of any release of claims.
- J. Neither Plaintiffs nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

10. Attorneys' Fees and Costs. Defendant will not object to the request for Class Counsel's attorneys' fees amounting to thirty-eight percent (38%) of the Maximum Settlement Amount plus actual costs and expenses, which costs are not to exceed \$25,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this Lawsuit,

including without limitation all work performed and all costs incurred to date, and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator at the time the Settlement Administrator distributes the fee award approved by the Court, and Class Counsel shall not be entitled further attorneys' fees and expenses in connection with the Lawsuit. The Settlement Administrator may purchase annuities or utilize U.S. Treasuries and bonds or other attorney fee deferral vehicles for Class Counsel's Attorneys' Fees and Costs.

11. Class Representative Enhancement Payment. Defendant will not object to a request for Class Representatives Enhancement Payment of \$10,000 for each Plaintiff's time and risks in prosecuting this case and each Plaintiff's service to the Settlement Class. This award will be in addition to Plaintiffs' Individual Settlement Payment as a Settlement Class Member, and shall be reported on an IRS Form 1099 by the Settlement Administrator. Plaintiffs further waive their rights to object to or opt-out from the Settlement and are obligated to take the steps necessary to effectuate approval of the Settlement

12. Settlement Administrator. The Parties agree to seek approval to pay up to \$15,000 to Phoenix Settlement Administrators for its services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for sending notices to the Settlement Class Members, for calculating Individual Settlement Payments, and for preparing all checks and mailings. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all Settlement Class Members. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary. The Settlement Administrator shall be required to permit Class Counsel and Defendant's Counsel, or their duly designated agents, to inspect and audit, at reasonable times, all payments to Settlement Class Members, and receipts pertaining thereto.

13. Non-Opposition. Defendant agrees that it will not oppose Plaintiffs' motions for preliminary and/or final approval of the Settlement to the extent that the filing(s) is consistent with the terms agreed to herein, and will not oppose Plaintiffs' requests for Attorneys' Fees and Costs and Enhancement Payments, in the amounts specified above. The Parties agree to work together expeditiously to obtain preliminary and final approval of this Settlement.

14. Non-Admission of Liability. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If final approval does not occur, or if the Court's approval of the Settlement is reversed or materially modified on appellate review, then the Parties agree that this Settlement Agreement is null and void, but remains protected by California Evidence Code section 1152. The Parties agree that an award of the Enhancement Payments or Attorneys' Fees and Costs in an amount less than requested by Plaintiffs will not constitute a failure by the Court to grant Settlement approval, or a material modification of the Settlement.

15. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties or their counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

16. Confidentiality and No Publicity. The Parties and their counsel will keep the Settlement, the Settlement-related documents, and their Settlement negotiations confidential, and will not disclose that information to any third party except for documents or information which is filed as part of this Settlement (including and not limited to, submission of the Settlement to the Labor and Workforce Development Agency pursuant to PAGA). No comments of any kind regarding the Settlement, the Settlement-related documents, or the Settlement negotiations (including without limitation, the negotiations in the course of mediation), may be made at any time to the press/media, unless the Parties agree otherwise in writing. Notwithstanding the foregoing, the Parties agree not to publicize the Settlement in any way, however Plaintiffs and Class Counsel may respond to Class Members who contact them by directing them to contact the Settlement Administrator. No reference to this Settlement may be made by referencing a settlement reached with an automotive, aircraft, wind or marine paint/painting part, product, or service distribution company and/or the settlement amount, in any advertisement, third-party communication, whether verbal or written, or on any website. The terms of this paragraph will not be applied in a manner so as to interfere with the Court-ordered administration of the settlement by the Settlement Administrator and Class Counsel and Plaintiffs may refer Class Members and any other individuals inquiring about the settlement, to the Settlement Administrator. Class Counsel may reference the Settlement as a settlement reached on behalf of hourly-paid and non-exempt employees in California who worked for a company in the general automotive or distribution industry. The parties and their counsel shall keep this Settlement and its terms confidential except for any and all documents and information which is made a public record as part of the Settlement.

17. Fair, Adequate, and Reasonable Settlement. The Parties agree that the Settlement is fair adequate, and reasonable, and will so represent to the Court. In addition, the Parties' mediator may, at his discretion, execute a declaration supporting the Settlement and the reasonableness of the Settlement. The Court may, in its discretion, contact the Parties' mediator to discuss the Settlement and whether or not the Settlement is fair, adequate, and reasonable.

18. Waiver of Appeals. The Parties waive all appeals from the Court's approval of the Settlement, unless the Court materially modifies the Settlement. An appeal of Class Representatives' Enhancement Payments and/or Class Counsel's Attorneys' Fees and Costs award does not affect the finality of the Settlement.

19. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

///

if to Defendant: Mary Dollarhide
Taylor H. Wemmer
DLA Piper LLP (US)
4365 Executive Drive, #1100
San Diego, California 92121-233
mary.dollarhide@us.dlapiper.com
taylor.wemmer@us.dlapiper.com

if to Plaintiff: Edwin Aiwarzian
Lawyers *for* Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
edwin@lfjpc.com

20. Entire Agreement. This Settlement Agreement and its Exhibit A contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

21. Parties' Authority: The respective signatories to the Settlement represent that they are fully authorized to enter into this Settlement and bind the respective Parties to its terms and conditions.

22. Construction: The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, its or their counsel participated in the drafting of this Settlement.

23. Binding on Assigns: This Settlement shall be binding upon and inure to the benefit of the Parties and Class Members as well as their respective heirs, trustees, executors, administrators, successors, and assigns.

24. Class Counsel and Representative Signatories: Because the Settlement Class Members are so numerous, it is impossible or impractical to have each Settlement Class Member execute this Settlement. This Settlement shall have the same force and effect as if this Settlement were executed by each Settlement Class Member. For purposes of this Agreement, the Parties agree that Amanda Patterson and Matthew Medina are authorized to execute this Agreement on behalf of the Settlement Class Members.

25. Counterparts. This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

26. Interpretation. The Parties agree to have mediator Antonio Piazza seek to resolve any and all disputes that may arise in connection with interpreting the terms of this Settlement.

IT IS SO AGREED:

DATED: _____

FINISHMASTER, INC.


By: _____

Name: Louis Juneau

Title: Corporate Secretary

DATED: July 23, 2020

AMANDA PATTERSON

By:  _____
Electronically Signed 2020-07-24 02:12:24 UTC - 174.194.149.177
AssureSign® e15c0f5-ac27-47f1-a95b-ac001160905

Plaintiff and Class Representative

DATED: _____

MATTHEW MEDINA

By: _____

Plaintiff and Class Representative

APPROVED AS TO FORM:

DATED: _____

DLA PIPER LLP (US)

By: _____

Mary Dollarhide

Taylor Wemmer

Attorneys for Defendant FinishMaster, Inc.

DATED: _____

LAWYERS FOR JUSTICE, PC

By: _____

Edwin Aiwarzian

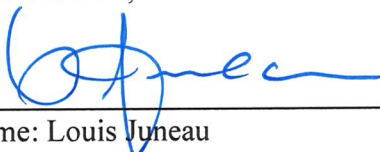
Attorneys for Plaintiffs Amanda Patterson and
Matthew Medina

EAST\175404781.1

IT IS SO AGREED:

DATED: July 30, 2020

FINISHMASTER, INC.

By: 
Name: Louis Juneau
Title: Corporate Secretary

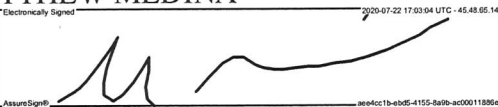
DATED: _____

AMANDA PATTERSON

By: _____
Plaintiff and Class Representative

DATED: July 22, 2020

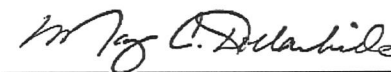
MATTHEW MEDINA

By: 
Plaintiff and Class Representative

APPROVED AS TO FORM:

DATED: 7/30/2020

DLA PIPER LLP (US)

By: 
Mary Dollarhide
Taylor Wemmer
Attorneys for Defendant FinishMaster, Inc.

DATED: 7/28/2020

LAWYERS FOR JUSTICE, PC

By: 
Edwin Aiwarzian
Attorneys for Plaintiffs Amanda Patterson and
Matthew Medina

EAST\175404781.1

EXHIBIT A

March 6, 2020

Agreement

Subject to the approval of
Cottra Costa County Superior Court,
the parties in the matter of
Patterson v. FinishMaster, Case No.
CV No. C19-00878 agree as
follows:

- Case to be resolved in its
entirety for the total sum of
\$1.9M (One Million Nine Hundred Thousand
Dollars and Zero Cents), inclusive of
all fees and costs associated with the
matter and employer's portion of payroll
taxes.

- Documents related to the disposition
of the total above settlement to be drafted
by FinishMaster counsel shall follow within
7 days of execution

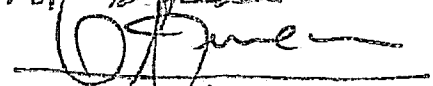
- This Agreement shall be enforceable and binding upon execution.

For Plaintiff



Edwin Ainzia, Esq.
Lawyers For Justice

For Defendant



Louis Juncos
Corporate Secretary FinishMaster