

# SETTLEMENT AGREEMENT

## **I. Introduction.**

This Settlement Agreement (“Agreement”) is hereby entered by and between Larson Motors, Inc. (“Larson” or “Defendant”), and Yarenis Esquivel-Caballero, Trevine Fernando, Michael Nugent, and Hector Avila Hernandez (“Plaintiffs”), who are acting both individually and in their capacity as the proposed class representatives for the proposed settlement class defined herein and in the proposed class action entitled *Jones, et al v. Larson Motors, Inc.*, Pierce County Superior Court, Case No. 23-2-07704-6 (the “Case”).

**II. Judicial Approval.** The final execution of this settlement agreement is expressly made contingent upon full and complete approval of all terms and provisions herein by the Court. If any aspect, term or provision of this agreement is not approved by the Court, then this entire agreement shall be null and void and shall not bind any of the parties in any way. Approval by the Court is an essential part of this agreement.

## **III. Class Certification.**

Solely for the purposes of this Settlement, Plaintiffs and Larson (hereafter, the “Parties”) agree that this Case should be certified and finally adjudicated as a class action on behalf of the Settlement Class defined herein.

## **IV. Investigations and Due Diligence.**

The Parties have conducted substantial formal and informal discovery and investigation of the facts and the law during their respective prosecution and defense of this Case. As part of this review and investigation, the Parties and their counsel have (a) interviewed witnesses; (b) collected and analyzed extensive electronic and paper time records, payroll data, financial data, and other information concerning the composition of the Settlement Class and the merits and possible extent of Plaintiffs’ claims and Larson’s defenses; and (c) amply considered and analyzed their respective claims and defenses.

## **V. Settlement Negotiations.**

The Parties engaged in settlement negotiations in connection therewith outlined the conceptual terms of the Settlement during mediation on January 22, 2025, before Hon. Paris Kallas of Judicial Dispute Resolution, and the months following. All of the Parties’ settlement negotiations have been conducted in good faith and at arm’s length. Through the Parties’ investigations and communications, the Parties have reached a class action settlement of this Case that he believes to be fair, adequate, and reasonable, and that Plaintiffs believe is in the best interest of the proposed Settlement Class. This Agreement memorializes the terms of the final Settlement agreed to by the Parties as the result of the negotiations just described.

## **VI. Larson’s Denials of Wrongdoing and Non-Admission of Allegations.**

Larson has denied and continues to deny each of the claims and contentions alleged by Plaintiffs on their own behalf and on behalf of any members of the proposed class alleged by Plaintiffs in the Case. Larson has asserted, and continues to assert, defenses and objections to the

proposed maintenance of this Case as a class action as if it were to proceed through litigation instead of settlement. Furthermore, Larson has expressly denied, and continues to deny, any wrongdoing or legal liability arising out of any of the facts or conduct alleged in this Case. Neither the Settlement, this Agreement, or any document referred to or contemplated herein—nor any action taken to carry out this Agreement—is, may be construed as, or may be used as an admission, concession or indication by or against Larson of any fault, wrongdoing, or liability whatsoever. Larson expressly denies any such fault, wrongdoing, or liability. If the Parties had not reached the Settlement, then Larson would have continued to vigorously defend against Plaintiffs’ claims, including seeking denial of full or partial class certification and a full defense verdict at trial. Larson agrees to this Settlement solely to avoid the burden and expense of further litigation.

## **VII. Stipulated Settlement and Dismissal**

NOW, THEREFORE, IT IS HEREBY STIPULATED by the Parties, subject to the approval of the Superior Court, that this Case is hereby being compromised and settled on a class action basis pursuant to the terms and conditions outlined in this Agreement and that, if the Parties’ Settlement is finally approved by the Superior Court, this Case shall be fully dismissed on the merits and with prejudice, subject to the following terms and conditions:

### **1. Definitions.**

a. **“Effective Date”** means the date when both (1) the Settlement has been finally approved by the Superior Court, and (2) the Superior Court’s anticipated order approving the Settlement and dismissing this Case with prejudice (the “Final Judgment”) becomes final. For purposes of this subsection, the Superior Court’s Final Judgment “becomes final” upon the later of either (a) 31 days following the Superior Court’s entry of an order granting final approval of the Settlement; or (b) if an appeal is timely filed or other appellate review is sought, the date the Mandate or other final affirmance is issued by the appellate court affirming the Final Judgment.

b. **“Settlement”** means the settlement reached by the Parties through the negotiation process described in Paragraph IV above.

c. **“Settlement Administrator”** means CPT Group Class Action Administrators, subject to the Superior Court’s approval.

d. **“Proposed Class A”** or **“Proposed Class A Members”** means all individuals who are or were employed by Defendant in Washington State in positions paid on a piecework, commission, or other productivity basis from June 23, 2020 through the date of preliminary approval (“Class A Settlement Class Period”).

e. **“Proposed Class B”** or **“Proposed Class B Members”** means all individuals who are or were employed by Defendant in Washington State in positions paid on an hourly basis from June 20, 2021 through the date of preliminary approval (“Class B Settlement Class Period”).

f. **“Settlement Classes”** or **“Settlement Class Members”** means all members of the Proposed Classes A and B, exclusive of any person who timely opts out of the Settlement pursuant to the procedures set forth below. All persons who timely opt out from the Settlement in

conformity with this Agreement shall not be bound by the terms of this Agreement or any Final Judgment entered by the Superior Court and shall retain the right to pursue any alleged individual claim(s) against Larson in a separate action.

- g. The “**Notice of Settlement**” means the form attached hereto as **Exhibit A**.
- h. The “**Initial Mailing Date**” is the date the Settlement Administrator first mails the Notice of Settlement approved by the Superior Court to all Proposed Class Members.
- i. The “**Notice Deadline**” is sixty (60) days after the Initial Mailing Date.
- j. “**Class Counsel**” means James B. Pizl and Entente Law PLLC, subject to the Superior Court’s approval.
- k. “**Employer-side Payroll Taxes**” means the required employer’s share of FICA, Medicare, FUTA (if applicable), and any other employer paid, federal, Washington state, and local payroll tax, premium, or fee related to payment of wages to Settlement Class Members.
- l. “**Common Fund**” means the maximum amount Larson is required to pay pursuant to this Settlement Agreement, which is the sum of One Million, Eight Hundred Thousand Dollars (\$1,800,000).
- m. “**Attorney’s Fees and Costs Award**” means the amounts the Parties propose be paid to Class Counsel as attorney’s fees and litigation costs in connection with their prosecution and settlement of the Case.
- n. “**Settlement Administration Expenses Award**” means the amount the Parties propose be paid to the Settlement Administrator for the processing of the Settlement.
- o. “**Service Awards**” means the amount the Parties propose be paid to Plaintiffs as awards in recognition of their efforts in prosecuting the Case.
- p. “**Class Fund**” means the aggregate, maximum gross amount the Parties propose be paid to the Settlement Class as Settlement Awards pursuant to this Agreement. The Class Fund shall be calculated by subtracting the Court-approved Attorney’s Fees and Costs Award, Service Award, Settlement Administration Expenses Award, and Employer-side Taxes from the Common Fund. Subject to approval by the Superior Court, the Parties anticipate the Class Fund to be no less than One Million, One Hundred Five Thousand Dollars.
- q. “**Settlement Awards**” means the amounts the Parties propose be paid to members of the Settlement Classes pursuant to this Agreement.
- r. “**Unclaimed Awards**” means the portions of the Class Fund allocated to Settlement Class Members who fail to submit a valid and timely Claim Form to the Settlement Administrator by the Notice Deadline.
- s. “**Released Claims**” means any and all claims, whether known or unknown, that were brought or that could have been brought based on any facts alleged in the Case. The

Released Claims specifically include but are not limited to any claims arising out of or relating to (1) any alleged failure to accrue and allow the use of paid sick leave, including but not limited to, all claims arising under Ch. 49.46 RCW; (2) any alleged missed, interrupted, shortened, untimely, unpaid, and/or non-compliant rest breaks and/or meal periods, including but not limited to, all claims arising under Ch. 49.12 RCW; and (3) any attendant claims for unpaid wages, overtime payments, premium payments, interest, exemplary damages, and attorneys' fees and costs relating to any of the foregoing, including any and all claims arising under Chs. 49.46, 49.12, and 49.52 RCW.

t. **“Released Parties”** as released through the Releases described in Section VI.2., below, includes the named Defendant in the Case, Larson Motors, Inc., as well as its past, current, or future successors and assigns, together with each of their respective parent companies, subsidiaries, related or affiliated companies, members, shareholders, investors, owners, officers, directors, employees, agents, attorneys, and insurers, along with any other individual or entity who could be jointly or severally liable for any of the claims alleged in the Case or released by this Agreement.

## **2. Releases.**

As of the Effective Date, the Settlement and this Agreement will constitute a full and final settlement and release by Plaintiffs Yarenis Esquivel-Caballero, Trevine Fernando, Michael Nugent, and Hector Avila Hernandez and all members of the Settlement Classes of all Released Claims.

## **3. Calculation of Settlement Awards.**

a. The Settlement Administrator shall be responsible for allocating Settlement Awards to individual Settlement Class Members in conformity with this Agreement. Each individual Settlement Class Member will be allocated a minimum settlement award of One Hundred Dollars (\$100.00).

b. Individual Settlement Awards allocated to Settlement Class A Members shall be calculated by dividing each Settlement Class A Member's total W2 wages paid by Larson during Class A Settlement Class Period by the total aggregate W2 wages paid to all Settlement Class A Members during the Class A Settlement Period and all Settlement Class B Members during the Class B Settlement Class Period and then multiplying the resulting ratio by the remaining Class Fund as reduced by minimum settlement awards.

c. Individual Settlement Awards allocated to Settlement Class B Members shall be calculated by dividing each Settlement Class B Member's total W2 wages paid by Larson during Class B Settlement Class Period by the total aggregate W2 wages paid to all Settlement Class A Members during the Class A Settlement Period and all Settlement Class B Members during the Class B Settlement Class Period and then multiplying the resulting ratio by the remaining Class Fund as reduced by minimum settlement awards.

d. The Settlement Administrator shall provide Larson and Class Counsel with an electronic report setting forth the results of their calculation of the gross Settlement Awards for Settlement Class Members. Larson and Class Counsel shall have ten (10) days after receiving this

electronic report to review the Settlement Administrator's gross Settlement Award calculations for compliance with the terms of this Agreement and to submit any concerns in writing to the Settlement Administrator. Thereafter, the Parties shall meet and confer within five (5) days in an attempt to resolve any disputes relating to the calculations of the gross amounts of Settlement Awards. If the Parties are unable to resolve any disputes about calculating the gross Settlement Awards pursuant to this Agreement, they shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding any disputed calculations of any Settlement Awards for any Settlement Class Members.

**e. Allocation of Settlement Awards Between Wages and Non-Wages.**

Fifty Percent (50%) of each Settlement Award will be treated as wages and subject to normal payroll tax withholdings and payments, and these amounts shall be reported to the taxing authorities and the Settlement Class Members on IRS Forms W-2. Fifty Percent (50%) of each Settlement Award will be treated as non-wages (penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which IRS Forms 1099 (marked "Other Income") shall be issued to the taxing authorities and Settlement Class Members who submit timely and valid claim forms.

**4. Payment by Larson.**

Subject to approval of the Settlement by the Superior Court, no later than ten (10) business days following the Effective Date, Larson agrees to deposit the Common Fund less any amounts retained per section VI.7, below, into a Qualified Settlement Fund ("QSF") set up by the Settlement Administrator for purposes of processing the Settlement and paying the Attorneys' Fees and Costs Award, the Service Awards, the Settlement Administration Expenses Award, the Employer-side Payroll Taxes, and the Settlement Awards. By making this deposit, Larson will fully discharge its financial obligations under this agreement and will not be responsible for making any additional payments, whether to the Settlement Class Members, to Plaintiffs Yarenis Esquivel-Caballero, Trevine Fernando, Michael Nugent, and Hector Avila Hernandez, to Class Counsel, to the Settlement Administrator, or otherwise.

**5. Attorney's Fees and Costs Award.**

As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for an Attorney's Fees and Costs Award of no more than thirty percent (30%) of the Common Fund, or Five Hundred Forty Thousand Dollars (\$540,000) plus up to an additional twenty thousand dollars (\$20,000) for litigation costs incurred.

**6. Service Awards.**

Subject to approval by the Superior Court, the amount paid to Yarenis Esquivel-Caballero, Trevine Fernando, Michael Nugent, and Hector Avila Hernandez for their service awards shall be Ten Thousand Dollars (\$10,000) each. These awards will be treated as non-wages, on which there will be no payroll tax withholdings and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and Plaintiff.

**7. Disposition of Awards Allocated to Settlement Class Members Who Do Not Submit Timely and Valid Claim Forms.**

Pursuant to CR 23(f)(1), this Settlement Agreement is not intended to and shall not be interpreted as creating residual funds. All funds allocated to Settlement Class Members who do not submit timely and valid claim forms shall be retained by Larson without condition.

**8. Settlement Administration.**

a. The Settlement Administrator shall be responsible for mailing and emailing the Notice of Settlement to the Proposed Class, tracing undeliverable mailings, recording and tracking responses to the mailings to the Proposed Class, tracking and responding to any inquiries made by any member of the Proposed Class, reviewing Class Counsel's calculation of the Settlement Awards, and any other related tasks mutually agreed to by the Parties. The Settlement Administrator shall also be responsible for establishing a Qualified Settlement Fund ("QSF") pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering this Settlement, as well as issuing the necessary checks for all Settlement Awards, issuing all required tax documents (such as Forms W-2 and 1099-MISC), performing all related tax reporting to taxing authorities and to Larson, and issuing the Service Award, the Settlement Administration Expenses Award, and the Attorneys' Fees and Costs Award.

b. The Settlement Administrator will perform the foregoing duties based on data provided by Larson, which data shall be presumed to be correct. Larson shall, within thirty (30) calendar days after this Agreement is preliminarily approved by the Superior Court, provide the Settlement Administrator and Class Counsel with an Excel spreadsheet containing the following information for each member of the Proposed Class: (i) name; (ii) social security number; (iii) last known address; (iv) last known telephone number (if known and reasonably accessible); (v) email address (if known and reasonably accessible); and (vi) total W2 wages received from Larson during the applicable Settlement Class Period. Other data will be provided, upon request from the Settlement Administrator, as reasonably necessary to complete their settlement administration duties under this Agreement. All such data shall be treated as private and confidential, and the Settlement Administrator shall not use or disclose any such data to any persons or entities except as required by this Settlement, law or Court order.

c. The Settlement Administrator, in consultation with Class Counsel, shall also have the responsibility to determine any Settlement Class Member's eligibility for a Settlement Award. Each Settlement Class Member who submits a valid and timely Claim Form and W9 will automatically be eligible to receive a Settlement Award. Within seven (7) calendar days after the Notice Deadline, the Settlement Administrator shall provide Larson and Class Counsel with: (1) an electronic report setting forth the names and identities of all individuals who submitted a valid and timely Claim Form; (2) copies of all Exclusion Letters received; and (3) copies of all objections received. Larson and Class Counsel shall be entitled to review the eligibility determinations made by the Settlement Administrator for compliance with the terms of this Agreement. The Settlement Administrator shall retain the originals of all Exclusion Letters returned, along with their envelopes, and any objections received. Larson and Class Counsel shall have seven (7) days after receiving the electronic report and related documentation from the Settlement Administrator to challenge any Exclusion Letter and/or eligibility determination in writing directed to the Settlement Administrator. Within five (5) days after submitting such

concerns to the Settlement Administrator, the Parties shall meet and confer in an attempt to resolve any disputes relating to the subject Exclusion Letters and/or eligibility determinations. In the event the Parties are unable to reach resolution on any disputes relating to the subject Exclusion Letters and/or eligibility determinations, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the subject Exclusion Letters and/or eligibility determinations. Thereafter, the Settlement Administrator shall provide the final results of eligibility determinations to Larson and Class Counsel, which results will include the names of all Settlement Class Members who will receive a Settlement Payment and the names of all individuals who opted out of the Settlement. Within five (5) days after receipt, the Settlement Administrator shall provide Larson and Class Counsel with copies of any objections returned or received.

d. As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for a Settlement Administration Expenses Award of no more than Thirty-five Thousand Dollars (\$35,000). The costs, fees and expenses incurred by the Settlement Administrator in administering this Settlement shall be paid from the Common Fund as approved by the Court.

#### **9. Notice/Approval of Settlement Class Certification and Settlement Agreement.**

As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Superior Court approval of the Settlement, notifying the members of the Settlement Class, obtaining final Superior Court approval of the Settlement, and implementing payment of Settlement Awards to Settlement Class Members who submit a valid and timely Claim Form

a. For purposes of this Settlement, as soon as practicable, Class Counsel will file a motion asking the Superior Court to enter an order certifying the Settlement Class, preliminarily approving the Settlement and this Agreement, approving Notice of Settlement to the Proposed Class, and setting a date for a Final Approval Hearing to determine whether the Court will grant final approval of the Settlement and this Agreement (the "Preliminary Approval Order").

b. Subject to the Superior Court's approval, Notice of the Settlement shall be provided using the following procedures:

(1) Within Forty-five (45) days of the date the Superior Court grants preliminary approval to the Settlement and issues its Preliminary Approval Order, the Settlement Administrator shall send the Notice of Settlement and Claim Form to all Settlement Class Members by mail and email. An additional email notice shall be sent after 30 days to Settlement Class Members who have not submitted a valid Claim Form. All email notices shall contain a link for the Settlement Class Member to submit an electronic Claim Form.

(2) The Notice of Settlement shall provide that Settlement Class Members who object to the Settlement must submit to the Settlement Administrator a written statement objecting to the Settlement. The written statement must be filed with the Court and postmarked or delivered to Class Counsel and Larson's counsel on or before the Objection Deadline.

(3) The Parties agree that neither they nor their counsel will discourage Settlement Class Members from submitting Claim Forms and will not solicit or otherwise

encourage any of the Settlement Class Members to opt out or object to the Settlement or to appeal from the Superior Court's Final Judgment approving the Settlement.

c. Should any Notice of Settlement be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skip trace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Notice of Settlement. If such Notice of Settlement is again returned as undeliverable, no further attempts at delivery of the Notice of Settlement are required to be made. Notwithstanding the foregoing, the Settlement Administrator or Class Counsel may mail or email a Notice of Settlement to a Proposed Class Member at an address or email address obtained by other means if the Notice of Settlement is returned as undeliverable or upon the Proposed Class Member's request for the same.

#### **10. Final Approval of Settlement, Funding of QSF, and Payment of Awards.**

a. Within the later of at twenty one (21) days after the Notice Deadline, or seven (7) days following resolution of challenge as set forth in Section VI.8.c., above, Class Counsel shall file with the Superior Court a supplemental memorandum in support of final approval of the Settlement to inform the Court of valid and timely claim forms received, to report any Proposed Class Members who have opted out of the settlement, to provide the Court with copies of all written objections received from any Proposed Class member with copies of their envelopes, and to respond to any objections to the settlement.

b. Subject to the Superior Court's availability and direction but no sooner than twenty-one (21) calendar days after the Notice Deadline, or seven (7) days following resolution of challenge as set forth in Section VI.8.c., above, a Final Approval Hearing shall be held for the Superior Court to determine whether to grant final approval of the Settlement, including Class Counsel's Attorneys' Fees and Costs Award, the Settlement Administration Expenses Award, and the Service Awards to the Plaintiffs. If the Superior Court grants its final approval of the Settlement, the Parties will promptly and jointly ask the Superior Court to enter the Final Judgment dismissing the Case with prejudice and without an award of attorneys' fees, expenses, or costs to any Party except as provided herein.

c. After entry of the Final Judgment, and subject to Rule 7.2 of the Washington Rules of Appellate Procedure, the Superior Court shall have continued jurisdiction solely for the purposes of enforcement of the Settlement Agreement and addressing (a) settlement administration matters, and (b) such post Final Judgment matters as may be appropriate under Court rules.

d. Within five (5) business days after the Effective Date, the Settlement Administrator shall provide calculations of the Employer-side Payroll Taxes to the Parties. Thereafter, if there is any dispute relating to the amount, the Parties and Settlement Administrator shall confer within five (5) days in an attempt to resolve this dispute. In the event they are unable to reach resolution of any such dispute, the Parties and the Settlement Administrator shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the amount required.

d. Within ten (10) business days after the Effective Date or five (5) business days following resolution of any dispute regarding the amount of Employer-side Payroll Taxes, Larson shall initiate a wire transfer of the Common Fund less any amounts retained per section

VI.8, above plus the amount of Employer-side Payroll Taxes into the QSF. The QSF will hold all funds transferred pending disbursement.

e. Within three (3) business days after funds are deposited into the QSF, the Settlement Administrator shall wire transfer or issue and mail checks for the Attorney's Fees and Costs Award, Service Awards, and Settlement Administration Expenses Award to the respective recipients thereof.

f. Within ten (10) business days after funds are deposited into the QSF, the Settlement Administrator shall issue and mail the Settlement Award checks. Settlement Award checks for each Settlement Class Member shall include an amount for wages and a separate amount for non-wages (exemplary damages, enhancements, and prejudgment interest).

g. The Settlement Administrator shall withhold and pay to the appropriate taxing authority(ies), all federal, Washington state, and local withholding taxes from each amount for wages, and shall issue appropriate IRS Forms W-2 for each amount for wages. The non-wages (penalties, enhancements, and prejudgment interest) amount shall not be subject to withholdings and shall be reported on an IRS Form 1099 (marked "Other Income") issued by the Settlement Administrator.

h. Should any Settlement Award checks be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skip trace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Settlement Award Check. The Settlement Administrator shall mail any Settlement Class Member his or her Settlement Award check if he or she contacts the Settlement Administrator and provides a correct mailing address within ninety (90) days after the initial distribution of the Settlement Award checks. If contacted by a Settlement Class member, Larson shall instruct the member to contact the Settlement Administrator or Class Counsel.

i. No later than one hundred twenty (120) days after the initial distribution of the Settlement Award checks, the Settlement Administrator shall provide both Parties with an accounting indicating which funds have been distributed to Settlement Class Members and which, if any, checks to Settlement Class Members have not been negotiated by that time. At this same time, the Settlement Administrator shall also provide Larson with copies of all IRS Forms W-2 and IRS Forms 1099 documents issued in connection with the payment of the Settlement Awards, and any other tax documentations reasonably required by Larson.

j. If any checks to Settlement Class Members have not been negotiated within one hundred twenty (120) days after distribution, the funds from those checks will be sent by the Settlement Administrator in the corresponding Settlement Class Member's name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). Larson will not receive funds from any uncashed checks.

k. If the Superior Court does not grant preliminary or final approval of the Settlement, or if the Settlement does not become final for any other reason, this Agreement shall be null and void. In such case, the parties shall proceed in all respects as if this Agreement had not been executed. In the event an appeal is filed from the Superior Court's Final Judgment, or from any other appellate review that is sought prior to the Effective Date, funding and

administration of the Settlement shall be stayed pending final resolution of the appeal or any other form of appellate review.

**11. No Effect on Employee Benefits.**

This Settlement, and any payments made thereunder to Settlement Class Members, shall have no effect on the eligibility for and/or calculation of employee benefits of any Settlement Class Members.

**12. Miscellaneous Provisions.**

a. The Parties agree to stay all further proceedings in this Case, except such proceedings as are necessary to implement and complete this Settlement and/or to implement this Agreement, pending the Fairness Hearing to be conducted by the Superior Court and the Effective Date of the Settlement.

b. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

c. This Agreement constitutes the entire Agreement among these Parties. No representations, warranties or inducements have been made to any Party concerning this Agreement, other than the representations, warranties and covenants contained and memorialized in this Agreement and the documents it requires (such as the Notice of Settlement and Exclusion Form).

d. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to enter into this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement this Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement or this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement or this Agreement, then either Party may seek the Superior Court's assistance to resolve such disagreement.

e. This Agreement shall be binding upon, and shall inure to the benefit of, the successors of the Parties hereto, as previously defined.

f. All terms of this Agreement shall be governed by and interpreted according to the laws of the State of Washington.

g. Plaintiffs and Larson believe that this is a fair, reasonable and adequate settlement, and have arrived at this Settlement through arm's-length negotiations, taking into account all relevant factors, present and potential.

h. Plaintiffs' counsel and/or the Settlement Administrator may create a notice website with information about this Settlement after preliminary approval of this Settlement is obtained from the Superior Court, which notice website may include a copy of this Agreement and any other documents filed with the Superior Court.

i. The parties agree that this Agreement may be electronically signed, and that any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

j. This Agreement may be executed in counterparts, and each counterpart, when executed, shall be deemed an original, and all of which together shall be deemed one and the same instrument. Photographic and facsimile copies of such signed counterparts may be used in lieu of the originals for any purpose.

IT IS SO AGREED.

*Signature Page to Follow*

**COUNSEL FOR PLAINTIFFS AND  
PROPOSED CLASS COUNSEL**

**ENTENTE LAW PLLC**

\_\_\_\_\_  
**James B. Pizl, Principal**

Dated: \_\_\_\_\_

**PLAINTIFFS AND PROPOSED CLASS  
REPRESENTATIVES**

\_\_\_\_\_  
**Yarenis Esquivel-Caballero**, individually  
and on behalf of the Settlement Class

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Trevine Fernando**, individually and on  
behalf of the Settlement Class

Dated: \_\_\_\_\_

\_\_\_\_\_  
**Michael Nugent**, individually and on  
behalf of the Settlement Class

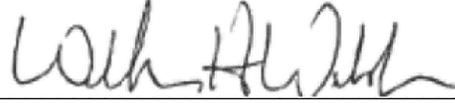
Dated: \_\_\_\_\_

\_\_\_\_\_  
**Hector Avila Hernandez**, individually and on  
behalf of the Settlement Class

Dated: \_\_\_\_\_

**COUNSEL FOR DEFENDANT  
LARSON MOTORS, INC.**

**COZEN O'CONNOR**



\_\_\_\_\_  
**William H. Walsh, Member**

Dated: April 25, 2025

**DEFENDANT LARSON MOTORS, INC.**

DocuSigned by:  
  
\_\_\_\_\_  
CDB2A3TC1BCE4E3  
**Mark Nelson, Chief Operating Officer**

Dated: 04/25/25 | 9:10 AM PDT

**EXHIBIT A**  
**NOTICE OF**  
**SETTLEMENT**

**SUPERIOR COURT FOR THE STATE OF WASHINGTON  
IN AND FOR PIERCE COUNTY**

*Alexander Jones, et al v. Larson Motors, Inc.*  
**Pierce County Superior Court Civil Case No. 23-2-07704-6**

**— NOTICE OF CLASS ACTION SETTLEMENT —**

*A court authorized this notice. This is not a solicitation from a lawyer.*

**TO: All individuals who were employed by Larson Motors, Inc. in Washington State in positions paid on a piece work, commission, or other productivity basis from June, 23, 2020 through [PRELIM. APPR. DATE].**

**AND TO: All individuals who were employed by Larson Motors, Inc. in Washington State in positions paid on an hourly basis from June, 20, 2021 through [PRELIM. APPR. DATE].**

**PLEASE READ THIS NOTICE. A settlement in a class action may affect your rights. You may be entitled to a payment from the settlement. YOU MUST SUBMIT A TIMELY AND VALID CLAIM FORM TO RECEIVE A SETTLEMENT PAYMENT.**

- Former employees brought claims against Larson Motors, Inc. (hereafter “Larson”) alleging that Larson: (1) failed to properly accrue and allow the use of paid sick leave; and (2) failed to provide meal and rest periods in compliance with Washington law. Larson strongly denies these claims. The parties have reached a proposed Class Action Settlement.
- Larson strongly denies any fault, wrongdoing, or liability. If the Parties had not reached a Settlement, Larson would have continued to vigorously defend against Plaintiffs’ claims, including seeking a denial of class certification and a full defense verdict at trial. Larson agreed to this Settlement to avoid the risk, burden, and expense of further litigation, and as a means of making its employees whole for even any arguable claims relating to the lawsuit.
- The Class Action Settlement includes a total maximum Common Fund settlement payment by Larson of One Million, Eight Hundred Thousand Dollars (\$1,800,000).
- To qualify for a share of the common fund, you must have been employed by Larson in the State of Washington in a position paid on a piece work, commission, or other productivity basis between June 23, 2020, and [PRELIM. APPR. DATE] or in a position paid on an hourly basis between June 20, 2021, and [PRELIM. APPR. DATE]; have not excluded yourself from the Class Action Settlement; and have submitted a timely and valid claim form.

<b>Your Estimated Gross Settlement Award Before Taxes</b>
 \$***,***.**  

**YOU MUST SUBMIT A TIMELY AND VALID CLAIM FORM  
IN ORDER TO RECEIVE A SETTLEMENT PAYMENT.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A TIMELY CLAIM FORM</b>	The only way to get a Settlement payment.
<b>ASK TO BE EXCLUDED</b>	Get no payment. This is the only option that allows you to ever be a part of any other lawsuit against Larson with respect to the legal claims in this case.
<b>OBJECT</b>	Write to the Court if you do not like the Settlement and explain why. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this case.
<b>DO NOTHING</b>	Get no payment. Give up rights related to the legal claims in this Case.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this Case still has to decide whether to grant final approval of the Settlement. If the Court approves the Settlement, payments will be made after any appeals are resolved. Please be patient.

**1. Why did I get this Notice?**

Larson’s records show that you were employed by Larson in the State of Washington in a position paid on a piece work, commission, or other productivity basis between June 23, 2020 and [PRELIM. APPR. DATE] or in a position paid on an hourly basis between June 21, 2021 and [PRELIM. APPR. DATE]. The Court has authorized this Notice to be sent to you to inform you about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to finally approve the Settlement. If the Court approves the Settlement, and after any appeals are resolved, payments will be made to Settlement Class Members who submit timely and valid claim forms to the Settlement Administrator

This Notice explains the Case, the Class Action Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

**2. What is this Case about?**

The Plaintiffs, former employees Yarenis Esquivel-Caballero, Trevine Fernando, Michael Nugent, and Hector Avila Hernandez, claim that Larson violated Washington State wage and hour laws by: (1) failing to accrue and allow the use of paid sick leave; and (2) failing to provide legally compliant meal and rest periods. Larson has denied the Plaintiffs’ claims.

The Honorable TaTeasha Monique Davis, of the Superior Court for the State of Washington in and for Pierce County, is overseeing this Class Action. The lawsuit is known as *Alexander Jones, et al v. Larson Motors, Inc.*, Pierce County Superior Court Civil Case No. 23-2-07704-6 (the “Case”).

### **3. What is a class action and who is involved?**

In a class action lawsuit, one or more people called a “Class Representative” sues on behalf of other people whom they believe have similar claims. The people together are a “Class” or “Class Members.” The employee(s) who sued, and who represent(s) the Class, is/are called the Plaintiff(s).

The person the Plaintiff(s) sue(s) (in this case Larson) is/are called the Defendant(s). In a class action, one court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

### **4. Why is there a Settlement?**

The Court did not decide in favor of the Plaintiffs or Larson. Instead, both sides agreed to a Settlement. This allows the parties to avoid the cost of a trial, and the people affected will be entitled to compensation. The Class Representative and his attorney think the Settlement is best for everyone in the Class.

### **5. How do I know whether I am part of the Settlement?**

As part of the Settlement of the Case, the Pierce County Superior Court has decided that everyone who fits the following description is a Class Member:

Settlement Class A: All individuals who are or were employed by Defendant in Washington State in positions paid on a piecework, commission, or other productivity basis from June 23, 2020, through the date of preliminary approval by the Court, anticipated to be May 16, 2025. (“Class A Settlement Class Period”).

Settlement Class B

All individuals who are or were employed by Defendant in Washington State in positions paid on an hourly basis from June 20, 2021, through the date of preliminary approval by the Court, anticipated to be May 16, 2025 (“Class B Settlement Class Period”).

If it is approved, the Settlement will cover all Settlement Class Members who have not timely and affirmatively excluded themselves from the Case.

**TO RECEIVE ANY MONEY PURSUANT TO THE SETTLEMENT, YOU MUST SUBMIT A VALID AND TIMELY CLAIM FORM TO THE SETTLEMENT ADMINISTRATOR BY THE NOTICE DEADLINE.**

### **6. What claims are covered by the Settlement?**

The Settlement will resolve all of the claims of Settlement Class Members, whether known or unknown, that were brought or that could have been brought based on any facts alleged in the Case, including, but are not limited to any claims arising out of or relating to (1) any alleged failure by Larson to accrue and allow the use of paid sick leave; (2) any alleged missed, interrupted, shortened, untimely, unpaid, and/or non-compliant rest breaks and/or meal periods; and (3) any attendant claims for unpaid wages, overtime payments, premium payments, interest, exemplary damages, and attorney’s fees and costs relating to any of the foregoing.

## 7. What are the basic terms of the Settlement?

Subject to Court approval, the essential terms of the Settlement are as follows:

Larson will pay a maximum total of \$1,800,000 as part of the Settlement, apportioned as follows:

- **Class Fund:** Up to approximately \$1,105,000, which will be available for the payment of Settlement Awards to Settlement Class Members who do not timely opt out of this Settlement and who submit timely and valid claim forms.
- **Employer-side Payroll Taxes:** Up to approximately \$60,000 in employer-side payroll taxes on amounts attributable to wages.
- **Service Awards:** Up to \$10,000 each to Plaintiffs and Class Representatives Yarenis Esquivel-Caballero, Trevine Fernando, Michael Nugent, and Hector Avila Hernandez as service awards in recognition of their efforts in prosecuting the Case.
- **Settlement Administration Expenses Award:** Up to \$35,000 to the Settlement Administrator for the processing of the Settlement, including the expenses of providing notice to Settlement Class Members, handling the claims administration process, processing payments to Settlement Class Members, and handling tax reporting requirements.
- **Attorneys' Fees and Costs Award:** Up to \$540,000 to Plaintiffs' attorneys for the attorneys' fees award and up to \$20,000 for actual litigation costs they have incurred and will incur through final judgment in representing Plaintiffs and the Settlement Class.

**Monetary Relief:** The amount available to the Settlement Class is intended to compensate Settlement Class Members for the wages and other compensation they allegedly lost and damages they are allegedly owed as a result of the practices alleged in the Case.

**Distribution of Class Fund:** Each Settlement Class Member who does not request exclusion and who submits a timely and valid Claim Form (enclosed with this notice) will receive a settlement payment. Each individual Settlement Class Member will be allocated a minimum settlement award of One Hundred Dollars (\$100.00). The remaining amounts from the Class Fund after minimum settlement allocations will be allocated to individual Settlement Class Members pro rata by dividing each Settlement Class Member's total W2 wages paid by Larson during the Settlement Class Period by the total aggregate W2 wages paid to all Settlement Class Members and then multiplying the resulting ratio by the remaining amounts in the Class Fund. If any checks have not been negotiated within one hundred twenty (120) days after distribution, the funds from those checks will be sent in the corresponding Settlement Class Member's name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). Larson will not receive funds from any uncashed checks.

**Tax Treatment of Settlement Awards:** Fifty Percent (50%) of each Settlement Class Member's settlement payment will be treated as wages and subject to normal tax withholding and shall be reported to the taxing authorities and the Settlement Class Member on an IRS Form W-2. Fifty Percent (50%) of each Settlement Class Member's settlement award will be treated as non-wages (a combination of penalties, enhancements, and prejudgment interest) on which there will be no tax withholding and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and the Settlement Class Member.

**Release of Claims:** Upon final approval by the Court, the Settlement Class and each Settlement Class Member who has not submitted a valid and timely written request to be excluded from the Settlement will irrevocably release all Released Claims against Larson from June 23, 2020 for Class A and June 20, 2021 for Class B, through the date of preliminary approval. The release specifically includes any claims arising out of or relating to: (1) any alleged missed, interrupted, shortened, untimely, unpaid, and/or non-compliant rest breaks and/or meal periods, including but not limited to, all claims arising under Ch. 49.12 RCW; (2) any alleged failure to accrue or pay proper sick leave, including but not limited to, all claims arising under Ch. 49.46 RCW; and (3) any attendant claims for unpaid wages, overtime payments, premium payments, interest, exemplary damages, and attorneys' fees and costs relating to any of the foregoing, including any and all claims arising out of Chs. 49.12, 49.46, and 49.52 RCW.

This Release requires you to waive and precludes you from bringing any Released Claims against Defendant Larson Motors, Inc., as well as each of their respective (and as applicable) past, current, or future successors and assigns, together with each of their respective parent companies, subsidiaries, related or affiliated companies, members, shareholders, owners, investors, officers, directors, employees, agents, attorneys, and insurers, along with any other individual or entity who could be jointly or severally liable for any of the claims alleged in the Case or released by this Agreement.

**Dismissal of Action:** Upon final approval, the Court will enter a judgment of dismissal of the Case with prejudice but shall retain jurisdiction to enforce the terms of the settlement agreement.

#### **8. How can I get a payment?**

**TO RECEIVE ANY MONEY PURSUANT TO THE SETTLEMENT, YOU MUST SUBMIT A VALID CLAIM FORM TO THE SETTLEMENT ADMINISTRATOR BY [NOTICE DEADLINE].**

#### **9. When would I get my payment?**

The Court will hold a hearing on [HEARING DATE] to decide whether to finally approve the settlement. If the Pierce County Superior Court approves the settlement, the parties will then have to wait to see whether there is an appeal. This will take at least thirty (30) days and, if there is an appeal, can take up to a year or more to resolve. In the event of an appeal, information regarding the appeal's progress will be made available at [WEBSITE]. If there is no appeal, payments to individuals who submitted a timely and valid claim form are expected to go out within approximately sixty (60) days of the Court's final approval of the settlement. Please be patient.

#### **10. Do I have a lawyer in this case?**

The Court has decided that James B. Pizl and the law firm of Entente Law PLLC is qualified to represent you and all Settlement Class Members. This lawyer is called "Class Counsel." You will not be charged for this lawyer. If you want to be represented by our own lawyer, you may hire one at your own expense.

**11. How will the lawyer be paid?**

As indicated above, Class Counsel will seek payment of their attorneys’ fees in the amount of \$540,000, and their litigation costs in an amount of up to \$20,000, each of which must be approved by the Court as part of the final approval of this Settlement. Class Counsel has been working on this case since approximately June, 2023 and has not received any fees or reimbursements for the costs of the lawsuit.

**12. How do I exclude myself from the Settlement?**

If you fit the definition of a Settlement Class Member and want to exclude yourself from the Settlement, you must request exclusion in writing by [NOTICE DEADLINE]. You may be excluded as a member of the class by submitting a written request stating, “I request that I be excluded from the Class in the case of *Alexander Jones, et al v. Larson Motors, Inc.*, Pierce County Superior Court Case No. 23-2-07704-6.” The request must include your name, address, and signature. You must mail a copy of the letter to the Settlement Administrator at the following address postmarked no later than [NOTICE DEADLINE]:

*Alexander Jones, et al v. Larson Motors, Inc.*  
c/o CPT Group Inc.  
50 Corporate Park  
Irvine, CA 92606

**13. If I don’t like the Settlement, how do I tell the Court?**

If you have not excluded yourself from the Class Action, and do not like the Settlement, you can object. You must do so in writing, and you must state the reasons why you think the Court should not approve the Settlement. If you object, be sure to include your name, address, and telephone number, the name of the Case (*Alexander Jones, et al v. Larson Motors, Inc.*, Pierce County Superior Court Case No. 23-2-07704-6), the reasons you object to the Settlement, and a signature. You must mail a copy of the objection to the following address **postmarked no later than** [NOTICE DEADLINE]:

**James B. Pizl, Class Counsel**  
**Entente Law PLLC**  
**315 39<sup>th</sup> Ave SW, Suite 14**  
**Puyallup, WA 98373**

**14. When and where will the Court decide to approve the Settlement?**

The Court will hold a Fairness Hearing at [HEARING TIME] on [HEARING DATE], at the Pierce County Superior Court, Department 1, 930 Tacoma Ave S, Tacoma, WA 98402.

If there are objections, the Court will consider them. Judge Davis will listen to people who have asked to speak at the hearing (*see* Section 16). After the hearing, the Court will decide whether to grant final approval of the Settlement, including Class Counsel’s request for attorneys’ fees and litigation costs, Settlement Administration Expenses, and Service Awards for the named Plaintiffs. We do not know how long that decision will take.

**15. Do I have to come to the hearing?**

No. Class Counsel will answer any questions Judge Davis may have, but you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as your written objection is mailed on time, the Court will consider it. You may also pay your own lawyer to attend, but that is generally not necessary.

**16. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying it is your “Notice of Intention to Appear in *Alexander Jones, et al v. Larson Motors, Inc.*, Pierce County Superior Court Case No. 23-2-07704-6.” Be sure to include your name, address, phone number, and your signature. Your Notice of Intention to Appear must be **postmarked no later than [NOTICE DEADLINE]**, and be sent to the Court, Class Counsel, and Defense Counsel at the three addresses set forth below:

<b>COURT</b>	<b>CLASS COUNSEL</b>	<b>DEFENSE COUNSEL</b>
Hon. TaTeasha Monique Davis Pierce County Superior Court Department 1 930 Tacoma Ave S, Room 334 Tacoma, WA 98402	James B. Pizl Entente Law PLLC 315 39 <sup>th</sup> Ave SW, Suite 14 Puyallup, WA 98373	William H. Walsh Cozen O’Connor 999 3 <sup>rd</sup> Avenue, Suite 1900 Seattle, WA 98104

**17. What happens if I do nothing at all?**

If you do nothing, you will get no payment. However, you will be bound by the other terms of the Settlement, including the Release of Claims described in Sections 6 and 7, above.

**18. Are there more details about the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by visiting the website **[WEBSITE]**, which has a copy of the Settlement Agreement posted. Plaintiffs’ motion for final approval of the settlement agreement, including Class Counsel’s request for Attorney’s Fees, Litigation Costs, Service Awards for the named Plaintiffs, and Settlement Administration Expenses, and will be available for you to review on **[DATE]** at **[WEBSITE URL]**.

{CLAIM\_ID}  
{NAME} {EMAIL\_1}  
{ADDRESS\_1} {PHONE\_1}  
{ADDRESS\_2}  
{ADDRESS\_3}

## CLAIM FORM

If you wish to be part of the class action settlement in *Alexander Jones v. Larson Motors, Inc.*, Pierce County Superior Court Case No. 23-2-07704-6, and receive a settlement payment, you must provide the information requested below. Please type or print clearly in blue or black ink.

This Claim Form must be submitted via mail postmarked no later than **{Claims Deadline}** to:

*Alexander Jones v. Larson Motors, Inc.*  
**CPT Group Inc.**  
**50 Corporate Park**  
**Irvine, CA 92606**

The Notice you received with this Claim Form describes your legal rights and options. Please visit the official settlement website, **www.{SettlementWebsite}.com**, or call or email the Settlement Administrator, CPT Group Inc., at **(888) XXX-XXXX** or **{email address}** for more information or alternative ways to submit a claim form and receive payment. If your address or contact information changes, you must update the Settlement Administrator as soon as possible to ensure you receive your payment.

**1. Estimated Minimum Settlement Award**

Your estimated minimum settlement award is \$ **{Individual Settlement Award}**,

**2. Settlement Class Member Information**

I declare under penalty of perjury under the laws of the State of Washington that the information supplied in this Claim Form is true and correct to the best of my knowledge, and this Claim Form was executed on the date set forth below.

I understand that I may be asked to provide supplemental information by the Settlement Administrator before my claim is considered complete and valid.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address

**CLAIMS SUBMITTED OR POSTMARKED AFTER **{CLAIMS DEADLINE}** WILL NOT BE VALID AND WILL NOT RESULT IN PAYMENT OF ANY FUNDS TO YOU.**