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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

KARMA AUTOMOTIVE LLC, a
California limited liability company,

Plaintiff,

v.

LORDSTOWN MOTORS CORP., an
Ohio corporation; STEVE BURNS, an
individual, JOHN LEFLEUR, an
individual, DARREN POST, an
individual, RICH SCHMIDT, an
individual, ROGER J. DURRE, an
individual, HONG XIN HUAN
(A.K.A. "GEORGE" HUAN), an
individual, BEI QIN, an individual,
STEPHEN PUNAK, an individual,
CHRISTOPHER KIM, an individual,
DAN ZHIHONG HUANG, an
individual, PUNAK ENGINEERING,
INC., a California corporation, and
DOES 1 through 50, inclusive,

Defendants.

Case No.: 8:20-cv-02104-JVS-DFM

**ORDER RE CERTIFICATION OF
FINAL ORDER AND STIPULATION
OF DISMISSAL WITH PREJUDICE
[595]**

Complaint Filed: October 30, 2020
Trial Date: September 12, 2023 (stayed)

Plaintiff Karma Automotive LLC ("Karma") and Defendants Lordstown
Motors Corp. ("Lordstown"), Steve Burns, John LaFleur, Darren Post, Rich
Schmidt, Roger J. Durre, George Huan, Bei Qin, Stephen Punak, Christopher Kim,
Dan Huang, and Punak Engineering, Inc. (the "Individual Defendants," collectively
with Lordstown, "Defendants" and together with Karma, the "Parties") hereby

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1 jointly submit this Certification of Final Order and Stipulation of Dismissal with
2 Prejudice.

3 WHEREAS, on October 30, 2020, Karma commenced this action against
4 Defendants;

5 WHEREAS, on June 27, 2023, Lordstown and certain affiliates (the
6 “Debtors”) each commenced a voluntary case under chapter 11 of title 11 of the
7 United States Code in the United States Bankruptcy Court for the District of
8 Delaware (the “Bankruptcy Court”), which chapter 11 cases are being jointly
9 administered under Case No. 23-01831 (collectively, the “Chapter 11 Cases”);

10 WHEREAS the Parties agree that if this action proceeds and if there are
11 additional potential disputes and litigation between and among the Parties, such
12 litigation and disputes would result in significant additional cost and expense to the
13 Parties, include risks of trial and litigation, and may be protracted and burdensome
14 for all Parties, including with respect to the relief sought in the Chapter 11 Cases;

15 WHEREAS Karma and Lordstown have engaged in extensive arm’s-length
16 negotiations and have entered in good faith into a settlement agreement and release
17 dated August 14, 2023 (the “Settlement Agreement”). Among other things, the
18 Settlement Agreement contemplates a settlement payment to Karma in exchange
19 for releases and the dismissal of this action with prejudice as to all defendants after
20 certain terms are met;

21 WHEREAS, the Settlement Agreement is binding from the date of its
22 execution, subject to certain terms, but is expressly subject to and contingent upon
23 entry of a final, nonappealable approval order by the Bankruptcy Court;

24 WHEREAS, the Debtors filed a motion with the Bankruptcy Court seeking
25 approval of the Settlement Agreement on an expedited basis;

26 WHEREAS, on August 28, 2023, the Bankruptcy Court entered an order
27 approving the Settlement Agreement (the “Approval Order”);
28

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1 WHEREAS, Karma and Lordstown have stipulated in the Settlement
2 Agreement to the dismissal of this action with prejudice as to all defendants upon
3 certification of the Parties that the Approval Order has been entered and become a
4 final, nonappealable order;

5 WHEREAS, the Parties hereby stipulate and certify that the Approval Order
6 has now become a final, nonappealable order.

7 NOW, THEREFORE, pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules
8 of Civil Procedure, Karma and Defendants, by and through their respective counsel,
9 hereby stipulate and agree to the dismissal, with prejudice, of all claims and causes
10 of action against Defendants, with the Parties bearing their own fees and costs.

11 The Parties further stipulate and agree that this Court shall retain jurisdiction
12 of this matter and the Parties to enforce the terms of the Stipulated Protective Order
13 entered by this Court on November 13, 2020, and to ensure that the Individual
14 Defendants certify in writing that each has or will within forty-five (45) days of
15 August 28, 2023 made a good faith effort to return, or confirm the destruction of,
16 all hard-copy and electronic documents and information that each provided to
17 Lordstown that were produced in discovery in this Action that contain information
18 originating from Karma.

19
20 Dated: September 12, 2023

Respectfully Submitted,

21
22 **SEYFARTH SHAW LLP**

BAKER & HOSTETLER LLP

23
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By: /s/ Thomas R. Lucchesi

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ORDER

PURSUANT TO THE PARTIES’ STIPULATION OF DISMISSAL WITH PREJUDICE, IT IS HEREBY ORDERED THAT:


1. This action is dismissed with prejudice.

2. The Court retains jurisdiction of this matter and the Parties to enforce the terms of the Stipulated Protective Order entered by this Court on November 13, 2020, and to ensure that the Individual Defendants certify in writing that each has within forty-five (45) days of August 28, 2023 made a good faith effort to return, or confirm the destruction of, all hard-copy and electronic documents and information that each provided to Lordstown that were produced in discovery in this Action that contain information originating from Karma.

3. The parties are to bear their own fees and costs.

IT IS SO ORDERED.

DATED: September 13, 2023


HON. JAMES V. SELNA
UNITED STATES DISTRICT JUDGE