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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

ROSALIE WAYMAN, as an individual and
on behalf of all other aggrieved employees,

Plaintiff,

vs.

TERRY YORK MOTOR CARS, LTD., a
California Corporation; and DOES 1 through
100,

Defendants.

Case No. 20STCV22528

*[Assigned for all purposes to the Hon.
Michelle Williams Court, Dept. 74]*

**DECLARATION OF PAUL K.
HAINES IN SUPPORT OF
PLAINTIFFS' MOTION FOR
APPROVAL OF SETTLEMENT OF
CLAIMS BROUGHT UNDER THE
PRIVATE ATTORNEYS' GENERAL
ACT AND REASONABLE
ATTORNEYS' FEES, COSTS, AND
ENHANCEMENT PAYMENTS**

Date: October 3, 2022
Time: 8:30 a.m.
Dept.: 74

Reservation ID: 649532899470

Complaint Filed: June 15, 2020
Trial Date: None Set

1 I, PAUL K. HAINES, declare as follows:

2 1. I am a shareholder and principal of Haines Law Group, APC, and co-counsel for
3 the named Plaintiffs Rosalie Wayman, Riham Megally, and Sultan Ahmad (“Plaintiffs”) and the
4 Aggrieved Employees in the above-captioned matter. I am a member in good standing of the bar
5 of the State of California and am admitted to practice in this Court. I have personal knowledge
6 of the facts stated in this declaration and could testify competently to them if called upon to do
7 so.

8 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
9 *cum laude*. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
10 located in Encino, California. I also spent a semester in law school working as an extern for the
11 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
12 District of California.

13 3. Since graduating from law school, my practice has focused almost exclusively on
14 employment litigation. In September 2007, I began working as an associate attorney at the
15 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to
16 its website is the “largest U.S.-based law firm exclusively devoted to representing management
17 in every aspect of labor and employment law.” While at Littler Mendelson, I was primarily
18 staffed on wage and hour class actions venued in both state and federal courts, and I also worked
19 on a number of single and multi-plaintiff wage and hour matters as well.

20 4. During my employment at Littler Mendelson, I played a significant role in the
21 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
22 particular, I received a wide-array of wage and hour class action experience performing the
23 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
24 from state court to federal court; drafting and responding to written discovery; drafting and
25 opposing discovery related motions; arguing discovery related motions; drafting motions to
26 consolidate related matters; interviewing putative class members and obtaining declarations in
27 connection with class certification; drafting oppositions to motions for class certification;
28 drafting motions for decertification following class certification; conducting exposure analyses

1 to assess the strengths and weaknesses of asserted claims, the likelihood of prevailing at class
2 certification and potential damages resulting from such claims; drafting mediation briefs; serving
3 as the primary contact to in-house counsel; deposing named plaintiffs and putative class
4 members; deposing retained expert witnesses; and defending the depositions of corporate
5 witnesses. In short, I played an integral role in all aspects of litigation from the inception of a
6 matter through and beyond class certification. I also supervised the work of several junior
7 attorneys who were staffed on the same wage and hour class actions.

8 5. In June 2011, I voluntarily resigned from Littler Mendelson in order to accept an
9 associate attorney position with the international law firm of Morgan, Lewis & Bockius LLP, at
10 its Los Angeles office, where I began working in July 2011. During my employment at Morgan,
11 Lewis & Bockius LLP, I worked exclusively on the defense of wage and hour class and collective
12 actions. For the vast majority of these cases, I was the only associate staffed on the matter, and I
13 performed the same job duties as described in the immediately preceding paragraph. In addition
14 to working on wage and hour class actions, at Morgan, Lewis & Bockius I also worked on a
15 number of “hybrid” actions asserting nationwide wage and hour claims under the Fair Labor
16 Standards Act (“FLSA”), as well as California-specific claims under Rule 23 of the Rules of
17 Civil Procedure.

18 6. In July 2012, I transitioned into litigating wage and hour class actions from the
19 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
20 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
21 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
22 and my law firm is currently responsible for prosecuting over fifty (50) wage and hour class
23 actions filed in both State and Federal courts throughout California. I have been appointed as
24 Class Counsel in over seventy-five (75) wage and hour class action settlements in state and
25 federal courts within California. A few examples of the matters in which I have been appointed
26 as Class Counsel, all of which have been granted final approval, include the following: *Sanchez*
27 *v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles,
28 Honorable John S. Wiley, presiding; *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-

3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter, presiding; *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California Superior Court, Santa Clara County, Judge Peter H. Kirwan presiding; *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr. presiding; *Longstreth v. PAQ, Inc., dba Food 4 Less*, Case No. 15CV-0206, California Superior Court, County of San Luis Obispo, Honorable Judge Charles S. Crandall, presiding; *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr. presiding; *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding. *Morales v. Caremeridian, LLC, et al.*, Case No. BC593191, California Superior Court, County of Los Angeles, Judge William F. Highberger presiding; *Rodrigues v. CP Kelco U.S., Inc.*, Case No. 37-2017-00004339-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Joel R. Wohlfeil, presiding; *Sandoval v. Rotational Molding, Inc.*, Case No. BC640678, Superior Court of California, County of Los Angeles, Honorable Judge William F. Highberger presiding; *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW (JEMx), United States District Court for the Central District of California, Honorable Judge Otis D. Wright II presiding.

7. I have also moved to certify and have received an order certifying a class action and/or conditionally certifying a collective action, in the following cases: *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler, presiding (certifying a class of employees who were misclassified as independent contractors); *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United States District Court, Central District of California, Honorable Judge Beverly Reid O’Connell, presiding (conditionally certifying an unpaid FLSA overtime wage class); *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter, presiding (certifying a rest period violation class and conditionally certifying an

FLSA unpaid overtime wage class); *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr., presiding (conditionally certifying an unpaid FLSA overtime wage class); *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court, Eastern District of California, Honorable Jennifer L. Thurston, presiding (conditionally certifying an unpaid FLSA overtime wage class); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge William Claster, presiding (certifying unpaid overtime wage class and waiting time penalty class); *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC, California Superior Court, County of Orange, Honorable Glenda Sanders, presiding (certifying piece rate pay plan classes, expense reimbursement class, wage statement class, and waiting time penalties class); *Ontiveros v. Safelite Fulfillment, Inc.*, et al, Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); *Vazquez, et al v. Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United States District Court, Southern District of California, Honorable William Q. Hayes presiding (certifying six classes of employees for unpaid wages, meal period violations, wage statement violations, and waiting time penalties); *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-WHA, United States District Court, Northern District of California, Honorable William H. Alsup presiding (certifying three classes of employees for unlawful wage deductions, wage statement violations, and waiting time violations); *Perez v. Sunbelt Rentals, Inc.* Case No. 37-2018-00026405-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Eddie C. Sturgeon presiding (certifying class of employees for wage statement violations); *Staublein v. Wells Fargo Bank, N.A.*, Case No. CIV DS1712267, San Bernardino Superior Court, Hon. David S. Cohn presiding (certifying wage statement class); and *Bowlin-Burdick, et al v. Life Care Centers of America, Inc.*, Case No. BC657139, Los Angeles County Superior Court, Honorable Maren E. Nelson presiding (certifying four classes for meal period violations, rest period

violations, wage statement violations, and waiting time penalties).

8. Of particular relevance to this case, I served as lead or co-lead counsel for the plaintiff and aggrieved employees in several PAGA-only settlements, including but not limited to:

- *Pentinio v. Southern Wine and Spirits of America, Inc.*, Case No. BC570234, California Superior Court, County of Los Angeles, Honorable Judge Maureen Duffy-Lewis, presiding, approved by the Court on January 19, 2016;
- *Resendez v. Bridgestone Retail Operations, LLC*, Case No. BC596892, California Superior Court, County of Los Angeles, Honorable Judge Marc Marmaro presiding, approved by the Court on June 13, 2016;
- *Canul v. Basmat, Inc.*, Case No. BC674940, California Superior Court, County of Los Angeles, Honorable Judge Teresa A. Beaudet presiding, approved by the Court on August 22, 2018;
- *Silva v. CitiStaff Solutions, Inc.*, Case No. BC620115, California Superior Court, County of Los Angeles, Honorable Judge David S. Cunningham III presiding, approved by the Court on November 19, 2018;
- *Cruz v. Fleetwash, Inc.*, Case No. 19STCV03033, California Superior Court, County of Los Angeles, Honorable Judge Stuart M. Rice presiding, approved by the Court on October 7, 2019; and
- *Ibarra v. Baker Commodities, Inc.*, Case No. 19STCV06148, California Superior Court, County of Los Angeles, Honorable Yolanda Orozco presiding, approved by the Court on September 30, 2020.

9. In 2015, 2016, and 2017, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyer. This is an honor awarded to no more than two and a half percent of attorneys under the age of forty in Southern California each year. In 2018, 2019, and 2020, Thomson Reuters recognized me as a “Super Lawyer,” an honor awarded to no more than five percent of attorneys in Southern California each year.

1 10. As counsel for Plaintiffs and Aggrieved Employees in this case, I have been
2 intimately involved in every aspect of this case from its inception through the present, and I
3 believe the proposed Settlement is fair, reasonable and adequate for the Aggrieved Employees
4 and the State of California.

5 11. Defendants own and operate car dealerships throughout California. Plaintiffs
6 worked for Defendants in California as non-exempt employees during the PAGA Period.

7 12. On April 8, 2020, Plaintiff Rosalie Wayman submitted her notification letter to the
8 LWDA giving notice of her intent to pursue a PAGA representative action for alleged Labor Code
9 violations, as required by Labor Code § 2699.3. A true and correct copy of Ms. Wayman's April
10 8, 2020 letter to the LWDA is attached hereto as **Exhibit 1**. On June 15, 2020, after the 65-day
11 waiting period under Labor Code § 2699.3(a)(2)(A), Plaintiff Rosalie Wayman filed a
12 Representative Action Complaint in this Court. Plaintiff Rosalie Wayman later amended her
13 PAGA Notice on April 28, 2022. A true and correct copy of Ms. Wayman's April 28, 2022 letter
14 to the LWDA is attached hereto as **Exhibit 2**.

15 13. On November 30, 2020, Plaintiff Riham Megally submitted her notification letter
16 to the LWDA giving notice of her intent to pursue a PAGA representative action for alleged Labor
17 Code violations, as required by Labor Code § 2699.3. A true and correct copy of Ms. Megally's
18 November 30, 2020 letter to the LWDA is attached hereto as **Exhibit 3**. On February 4, 2021,
19 after the 65-day waiting period under Labor Code § 2699.3(a)(2)(A), Plaintiff Riham Megally
20 filed a Representative Action Complaint in this Court in the matter entitled *Riham Megally v.*
21 *Carwell, LLC*, Los Angeles Superior Court Case No. 21STCV04424.

22 14. On September 1, 2021, Plaintiff Sultan Ahmad submitted his notification letter to
23 the LWDA giving notice of his intent to pursue a PAGA representative action for alleged Labor
24 Code violations, as required by Labor Code § 2699.3. A true and correct copy of Mr. Ahmad's
25 September 1, 2021 letter to the LWDA is attached hereto as **Exhibit 4**. On November 9, 2021,
26 after the 65-day waiting period under Labor Code § 2699.3(a)(2)(A), Plaintiff Sultan Ahmad filed
27 a Representative Action Complaint in this Court in the matter entitled *Sultan Ahmad v. Bargain*
28 *Rent-A-Car, et al.*, Los Angeles Superior Court Case No. 21STCV41319.

1 15. The Parties attended two mediation sessions with experienced wage and hour
2 mediator Marc Feder, Esq. In connection with mediation, Defendants informally produced
3 information and documents pertaining to Plaintiffs and other Aggrieved Employees, including,
4 but not limited to, payroll and timekeeping records for Plaintiffs and a representative sample of
5 Aggrieved Employees; several data points including the number of Aggrieved Employees and the
6 number of pay periods worked by Aggrieved Employees during the PAGA Period; and relevant
7 wage and hour policy documents, in order for Plaintiffs' counsel to investigate Plaintiffs'
8 allegations and value the claims prior to mediation.

9 16. The Parties attended a first mediation on April 19, 2021 with Mr. Feder, however,
10 the parties were not able to reach a settlement. The parties attended a second mediation with Mr.
11 Feder on February 7, 2022. During this second mediation, the parties vigorously debated the
12 impact of *Viking River Cruises, Inc. v. Moriana* on this Action, the legal bases for Plaintiffs'
13 claims and Defendants' defenses, the manageability of the case as a representative action, the
14 potential amount of PAGA civil penalties, and the parties' data analyses and conclusions based
15 thereon. With the assistance of Mr. Feder, the Parties agreed to fully and finally resolve Plaintiffs'
16 PAGA claim. Over the following months, the parties subsequently negotiated and finalized the
17 Settlement now before the Court. As part of the Settlement, the Parties stipulated to the filing of
18 a First Amended Representative Action Complaint ("FAC") which added Plaintiffs Megally and
19 Ahmad as named Plaintiffs, added factual allegations, and added additional Defendants to this
20 Action. On July 19, 2022, the FAC was filed in this Action.

21 17. A true and correct copy of the fully-executed Settlement Agreement is attached
22 hereto as **Exhibit 5**. The proposed Explanatory Letter to be mailed to Aggrieved Employees with
23 their settlement payments is attached as **Exhibit A** to the Settlement Agreement. The Settlement
24 provides for Defendants to pay a Gross Settlement Amount ("GSA") of \$1,209,274. After
25 deducting amounts for requested attorneys' fees, attorneys' costs, Plaintiff's enhancement
26 payments, and settlement administration costs, the Settlement provides for the Net Settlement
27 Amount ("NSA") to be distributed 75% to the LWDA and 25% to Aggrieved Employees,
28 pursuant to Lab. Code § 2699(i). The 25% portion to Aggrieved Employees shall be distributed

1 based on each Aggrieved Employee's proportional number of pay periods worked for Defendants
2 in California during the PAGA Period. The settlement is non-reversionary, and does not require
3 Aggrieved Employees to submit claim forms to reap financial benefit from the Settlement. Based
4 on a GSA of \$1,209,274, the total amount paid to Aggrieved Employees is estimated at
5 \$187,919.33, with approximately \$563,758.00 paid to the LWDA. According to information
6 provided by Defendants, the number of Aggrieved Employees is approximately 6,366. Thus, the
7 average payment to Aggrieved Employees is estimated at \$29.52.

8 18. Although they steadfastly maintain their claims are meritorious, Plaintiffs
9 acknowledge their position included real risks and uncertainty. Of particular relevance here is
10 the fact that on June 15, 2022, shortly after this Settlement was reached, the United States
11 Supreme Court issued its opinion in *Viking River Cruises, Inc. v. Moriana* ("Viking River") where
12 it overruled the California Supreme Court's holding in *Iskanian v. CLS Transportation Los*
13 *Angeles, LLC* which held that a representative PAGA claim could not be compelled to arbitration.
14 See *Viking River Cruises, Inc. v. Moriana* (June 15, 2022, No. 20-1573) 596 U.S. ____ [____ S.Ct.
15 ____, 2022 WL 2135491; *Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th
16 348. In effect, the U.S. Supreme Court's ruling in *Viking River* means that if this matter had not
17 settled, Defendants would likely be able to compel this case (as well as the matters entitled *Riham*
18 *Megally v. Carwell, LLC* and *Sultan Ahmad v. Bargain Rent-A-Car, et al.*) to individual
19 arbitrations based on the arbitration agreements signed by each Plaintiff, precluding any PAGA
20 recovery whatsoever. Therefore, this is a unique case where further litigation would almost
21 certainly have resulted in a smaller recovery, or even no recovery at all.

22 19. With respect to Plaintiffs' commission-based claims, Defendants argue that its
23 commission pay plans comply with California law and that they have always compensated its
24 commissioned-based employees for all required paid rest periods. Defendants further argue that
25 at all times throughout the PAGA Period it has calculated separate rest period compensation for
26 its commissioned based employees in compliance with California law. Defendants also contend
27 that employees experienced minimal (if any) uncompensated "non-productive" time.
28 Additionally, Defendants maintain that any questions of non-productive time would be highly

1 individualized, as employees worked in a variety of locations, and there are no records or other
2 common evidence of time spent on potentially non-productive tasks, making this claim
3 unmanageable on a representative basis.

4 20. With respect to Plaintiffs’ meal period claims, Defendants argue that they have
5 maintained compliant written meal period policies throughout the Class Period and have always
6 provided employees the *opportunity* to take legally compliant meal periods, and that they are not
7 required to “ensure” meal periods are taken. Additionally, Defendants maintain that employees
8 voluntarily waived their second meal period when they worked shifts in excess of 10.0 hours (but
9 less than 12.0 hours), as they are entitled to do under Labor Code § 512. Finally, Defendants argue
10 that Plaintiffs’ meal period claims are not suited for representative treatment, as individual
11 inquiries would be needed to assess which employees took non-compliant meal periods or missed
12 meal periods, how many meal periods were non-compliant or missed, and the reasons why a
13 particular employee did not take a compliant meal period on a particular shift.

14 21. With respect to Plaintiffs’ reimbursement claims, Defendants maintain that
15 aggrieved employees were not required to use their personal cellular phones as part of their job.
16 Defendants further argue that any expenses incurred by employees were minimal, given the wide
17 availability of low-cost cellular phone plans.

18 22. As a result of Defendants’ failures to pay all meal and rest period premiums, and
19 all wages owed, Plaintiffs allege derivative PAGA claims for failure to issue accurate and
20 itemized wage statements and failure to pay all wages owed at separation. In response,
21 Defendants argue that Plaintiffs’ underlying claims will fail and, as a result, the derivative claims
22 will also fail. Defendants also maintain that any “derivative” PAGA claims for violations of
23 Labor Code Sections 226 or 203 would be entirely duplicative and would be unlikely to be
24 awarded in any significant manner by a Court.

25 23. Defendants further maintain that even if the Court awarded PAGA penalties for
26 any of the alleged violations, it would substantially reduce the penalties based on the
27 discretionary factors in Labor Code § 2699(e)(2) (authorizing reduction in penalties “if, based on
28 the facts and circumstances of the particular case, to do otherwise would result in an award that

1 is unjust, arbitrary and oppressive, or confiscatory.”). Indeed, Defendants argue, many courts
2 have reduced PAGA penalties drastically where, as here, the employer presented good-faith
3 defenses and attempted to comply with the law.

4 24. Based on data provided by Defendants, there were approximately 219,868 Pay
5 Periods worked by the Aggrieved Employees during the PAGA Period. Therefore, assuming that
6 Plaintiffs could prove at least one Labor Code violation in each pay period, Plaintiffs calculated
7 Defendants’ maximum PAGA exposure at \$21,986,800 (219,868 pay periods * \$100 per
8 violation). However, as discussed above, Defendants raised numerous defenses to the merits of
9 Plaintiffs’ claims, and argued that even if found liable, the Court would exercise its discretion to
10 reduce any potential PAGA penalties given Defendants’ good-faith defenses. Additionally, at the
11 time of mediation, there was a looming threat that a forthcoming decision in *Viking River* could
12 preclude any representative PAGA recovery at all. In the face of Defendants’ defenses on the
13 merits, the Court’s discretion to reduce PAGA penalties, and the threat (which has since become
14 reality) of an adverse *Viking River* ruling, Plaintiffs felt that the negotiated settlement of
15 \$1,209,274, was clearly in the best interests of the LWDA and the aggrieved employees and was
16 well within the range of reasonableness.

17 25. Plaintiffs’ counsel is requesting attorneys’ fees of one-third of the Gross
18 Settlement Amount (i.e., \$403,091.33). Based on my experience in similar wage and hour class
19 and representative actions in California state courts, fee awards in matters such as this one
20 generally equal about one-third of the gross recovery. In addition, and as explained below and in
21 the accompanying Motion, this case presented significant risks to Plaintiffs, including the risk
22 that an adverse *Viking River* decision could effectively conclude the case. It is fair and reasonable
23 to account for these risks in compensating Plaintiffs’ counsel, as well as the risks involved in
24 undertaking this litigation and expending considerable effort while working on a pure
25 contingency basis. Since undertaking representation of Plaintiffs, Plaintiffs’ counsel dedicated
26 substantial resources to this litigation, including expending \$17,555.57 in litigation costs, without
27 receiving any compensation to date.

28 26. Plaintiffs’ counsel has expended significant time and effort in this case, including

but not limited to: conducted extensive research regarding the merits of Plaintiffs' claims, their ability to recover PAGA civil penalties, and Defendants' potential defenses. Plaintiffs' counsel conducted informal and formal discovery, and also performed extensive analysis of data and information produced by Defendants, used this analysis to evaluate Plaintiffs' claims, and drafted a comprehensive mediation brief. Plaintiffs' counsel also attended two private mediations, and expended significant effort in preparing settlement documents, this Motion and supporting documents, and will oversee the settlement administration process. Given the considerable potential for adverse outcomes in this case, the contingent risk borne by Plaintiffs' counsel was great.

27. Since undertaking representation of Plaintiffs, my firm has dedicated substantial resources to this litigation without receiving any compensation to date. My office is requesting reimbursement of up to \$14,760.22 in total costs, which includes \$60.00 of anticipated costs for filing and serving the instant Motion. A summary of the costs incurred by my office to date in connection with this case is attached hereto as **Exhibit 6**. These costs include filing fees, copying costs, mediation fees, service fees, and other expenses that were all reasonably incurred in the prosecution of this litigation on behalf of Plaintiff and the Aggrieved Employees. My co-counsel, James Hawkins APLC is requesting reimbursement of \$2,795.15 in litigation costs, as indicated in the concurrently filed Declaration of James Hawkins. Collectively, Plaintiffs' counsel is requesting reimbursement of \$17,555.37 in total litigation costs.

28. In this case, Plaintiff's counsel has a lodestar of approximately \$206,307.50 without the use of any multiplier, resulting in a multiplier of approximately 1.95 compared to the \$403,091.33 fee request. My firm has a lodestar of approximately \$191,307.50. James Hawkins APLC has a total lodestar of approximately \$15,000.00. Below is a general summary showing the number of hours of work performed by each attorney and paralegal in my firm on this case:

Name	Rate	Hours	Pre-Multiplier Lodestar
Paul K. Haines (17th Year Attorney)	\$675	69.8	\$47,115.00
Sean M. Blakely (14th Year Attorney)	\$650	128.2	\$83,330.00

Neil M. Larsen (13th Year Attorney)	\$550	88.9	\$48,895.00
Diana M. Martinez (4th Year Attorney)	\$325	24.6	\$7,995.00
Paralegals	\$175	22.7	\$3,972.50
Total Lodestar			\$191,307.50

29. My proposed hourly rate of \$675, Mr. Blakely's proposed hourly rate of \$650, Mr. Larsen's proposed hourly rate of \$550, and Ms. Martinez's hourly rate of \$325 are reasonable in light of our respective skills, wage and hour class action litigation experience, reputation, and fee awards to other attorneys of similar experience in California. Moreover, our requested hourly rates are in line with the *Laffey Matrix*, a true and correct copy of which is attached hereto as **Exhibit 7**.

30. I believe the requested \$5,000 enhancement payment to each Plaintiff is reasonable given Plaintiffs' efforts in this case and the risks they undertook on behalf of Aggrieved Employees. Plaintiffs provided substantial factual information and documents, assisted in identifying potential witnesses, and otherwise assisted in the prosecution of this case, and also undertook significant risk in the event this case were lost as well as the reputational risk inherent in suing an employer on a representative basis. Accordingly, I believe Plaintiffs' requested enhancement payments are reasonable.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on September 8, 2022, at El Segundo, California.



Paul K. Haines

EXHIBIT 1

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

April 8, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Rosalie Wayman v. Terry York Motor Cars, Ltd.*

To Whom It May Concern:

Please be advised that this law firm represents Rosalie Wayman (“Ms. Wayman”) with respect to claims arising from her employment with Terry York Motor Cars, Ltd., and Does 1 through 100 (collectively “Defendants”). Ms. Wayman is an “aggrieved employee” as defined by Labor Code Section 2699 *et seq.*, due to Defendants’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3(a)(1), which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, the term “aggrieved employees” is intended to include all of Defendants’ current and former non-exempt employees who are paid on any commission based pay plan, during the one year preceding the date of this letter and continuing through the present, with respect to the Labor Code violations flowing from Defendants’ commissioned based pay plan claims discussed below (i.e., claims for non-productive time and rest period violations). With respect to the Labor Code violations pertaining to Defendants’ alleged failure to: (a) provide all meal periods; (b) pay all overtime wages due to a miscalculation of the regular rate of pay; and (c) reimburse all expenses, the term “aggrieved employees” is intended to include all non-exempt employees of Defendants during the one year preceding the date of this letter and continuing through the present.

Defendants own and operate the Land Rover Encino car dealership in Encino, California. Ms. Wayman has worked for Defendants since approximately June 2019. During Ms. Wayman’s employment with Defendants, Ms. Wayman and aggrieved employees were paid on a commission basis, whereby they were paid a commission per vehicle sold or leased. While paid on a commission basis, Ms. Wayman and aggrieved employees were not separately compensated for time spent working on tasks which were not compensated on a commission basis, including for example, hours spent waiting for customers and attending sales meetings (i.e., non-productive time). As a result, Ms. Wayman and aggrieved employees were not paid at least the minimum wage for all hours worked.

Furthermore, while working on a commission-only basis, Ms. Wayman and aggrieved employees worked shifts in excess of 3.5 hours, and were not provided with a paid rest period for every 4-hour period worked, or major fraction thereof, because Defendants' commission compensation plans failed to separately compensate Ms. Wayman and aggrieved employees for required rest periods. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013) ("There is no dispute that Safeway's activity-based compensation system did not separately compensate drivers for their rest periods."). As a result, Ms. Wayman and aggrieved employees were not provided with compensated rest periods or rest periods compensated at the correct rate of pay as required by Industrial Welfare Commission Wage Order 4, § 12(A).

In addition, Defendants routinely failed to provide Ms. Wayman and aggrieved employees with timely, full 30-minute first meal periods commencing before the conclusion of the fifth hour of work in violation of Labor Code § 512, and Wage Order 4, § 11(A). Ms. Wayman and aggrieved employees were also not provided with all required meal periods due to Defendants' meal period policies/practices which fail to provide a second meal period for shifts over 10.0 hours.

Ms. Wayman and other aggrieved employees also routinely worked in excess of 8 hours per workday and/or 40 hours per workweek, but did not receive overtime compensation equal to one and one-half times their regular rate of pay for working overtime hours. Specifically, Defendants paid Ms. Wayman and other aggrieved employees commission earnings, and other forms of non-discretionary pay that are not excludable from the regular rate of pay (hereinafter the aforementioned forms of pay are referred to as "Incentive Pay"). Despite Defendants' payment of Incentive Pay to Ms. Wayman and other aggrieved employees, Defendants failed to properly calculate the regular rate of pay, thereby causing Ms. Wayman and aggrieved employees to be underpaid all required overtime wages. Furthermore, Ms. Wayman and other aggrieved employees were not paid all overtime wages owed because Defendants failed to include the value of non-productive time when calculating the regular rate of pay for overtime purposes.

Defendants also failed to reimburse Ms. Wayman and aggrieved employees for use of their personal cellular phones for a variety of work activities, including, but not limited to, communicating with customers. Ms. Wayman and aggrieved employees were required to use their personal cellular phones for such work activities; however, Ms. Wayman and aggrieved employees were never reimbursed for their cellular phone expenses.

As a result of Defendants' failure to pay all minimum and overtime wages, rest period premium wages, and meal period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Wayman and aggrieved employees. Furthermore, Defendants issued facially non-compliant wage statements to Ms. Wayman and aggrieved employees that fail to accurately list all hourly rates and corresponding hours worked at each rate of pay in violation of Labor Code §

226(a)(9). Specifically, the wage statements issued by Defendants to Ms. Wayman and aggrieved employees fail to list the hourly rates and corresponding hours for “Overtime.” For instance, during the pay period beginning on January 16, 2020 and ending on January 31, 2020, the wage statement that Defendants furnished to Ms. Wayman failed to list any overtime rate that corresponded to the overtime hours she worked during that pay period.

As described above, Defendants committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 4 (“Wage Order 4”):

Minimum Wage Violations

Defendants were required to pay Ms. Wayman and aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 4, § 4. Because Defendants failed to compensate Ms. Wayman and aggrieved employees for non-productive time when they were paid on a commission-only basis, Defendants failed to compensate Ms. Wayman and aggrieved employees for all hours worked. As a result of these policies/practices, which fail to compensate for all hours worked, Ms. Wayman and aggrieved employees were deprived of all required minimum wages.

Rest Period Violations

As described above, Defendants failed to properly compensate Ms. Wayman and aggrieved employees for required rest periods while they worked pursuant to Defendants’ commission compensation plan. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013). As a result, Ms. Wayman and aggrieved employees are owed rest period premium payments.

Meal Period Violations

Defendants failed to provide Ms. Wayman and aggrieved employees with timely, full 30-minute first meal periods commencing before the conclusion of the fifth hour of work, in violation of Labor Code § 512, and Wage Order 4, §11(A). Ms. Wayman and aggrieved employees were also not provided with all required meal periods due to Defendants’ meal period policies/practices which fail to provide a second meal period for shifts over 10.0 hours. *See* Labor Code §§ 226.7, 512; Wage Order 4, § 11. As a result, Ms. Wayman and aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that meal periods were not provided. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”).

Overtime Wage Violations

Defendants were required to pay Ms. Wayman and aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 4, § 3. According to Labor Code § 510(a), “Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.” This section further provides, “Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” As alleged above, Defendants failed to include the value of non-productive time when calculating the regular rate of pay for overtime purposes, and failed to include Incentive Pay when calculating the regular rate of pay for overtime purposes. As a result of this policy/practice, Ms. Wayman and aggrieved employees were not compensated for all overtime wages on occasions when Ms. Wayman and aggrieved employees worked over eight hours in a workday and/or 40 hours in a workweek.

Failure to Reimburse Employees for Necessary Business Expenses

Defendants failed to reimburse Ms. Wayman and other aggrieved employees for necessary work expenses incurred due to Defendants’ policy/practice of not providing any reimbursement for cellular phone expenses incurred in the direct discharge of the job duties of such employees. *See* Wage Order 4, § 9; Labor Code §§ 2802 and 2804 (“An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.”); *see also Cochran v. Schwan’s Home Service, Inc.*, 228 Cal.App.4th 1137 (2014). Accordingly, Ms. Wayman and aggrieved employees are entitled to reimbursement for all expenditures incurred as a direct consequence of the discharge of their duties for Defendants and/or at the direction of Defendants.

Wage Statement Violations

Defendants are required to furnish Ms. Wayman and aggrieved employees with complete and accurate itemized wage statements that show, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 4, § 7. As a result of Defendants’ failure to pay all minimum and overtime wages, and meal and rest period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Wayman and aggrieved employees in violation of Labor Code § 226. Furthermore, Defendants issued facially deficient wage statements which fail to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Defendants’

failure to comply with the wage statement obligations was knowing and intentional, and Ms. Wayman and aggrieved employees have suffered injury as a result.

As an “aggrieved employee,” Ms. Wayman will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Wayman’s own investigation, and on information and belief, Defendants committed, and continues to commit, the following violations:

- a. Defendants violated Labor Code §§ 558, 1182.12, 1194, 1194.2 and 1197, by failing to pay Ms. Wayman and aggrieved employees the statutory minimum wage for all hours worked;
- b. Defendants violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all rest periods as required by law and failing to separately compensate Ms. Wayman and aggrieved employees for required rest periods;
- c. Defendants violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Wayman and aggrieved employees at these employee’s respective regular rates of pay for meal period violations;
- d. Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Wayman and other aggrieved employees all overtime compensation earned;
- e. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Wayman and aggrieved employees for all necessary work expenses incurred;
- f. Defendants violated Labor Code § 226 by failing to furnish Ms. Wayman and aggrieved employees with accurate and compliant itemized wage statements;
- g. Defendants violated Labor Code § 204 by failing to pay Ms. Wayman and aggrieved employees all wages earned at least twice during each calendar month; and
- h. Defendants violated Labor Code § 1174 by failing to maintain accurate records on behalf of Ms. Wayman and aggrieved employees.

LWDA
April 8, 2020
Page 6 of 6

Pursuant to Labor Code Section 2699.3(a)(2)(A), please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: TERRY YORK MOTOR CARS, LTD. (via certified mail)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TERRY YORK MOTOR CARS, LTD
C/O CSC-LAWYERS INCORPORATING
SERVICE
2710 GATEWAY OAKS DR., STE. 150N
SACRAMENTO, CA 95833



9590 9402 5296 9154 3123 40

2. Article Number (Transfer from service label)

7020 0090 0001 5507 7557

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below ☐ No



3. Service Type

- | | |
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| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
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SERVICE
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SACRAMENTO, CA 95833



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

April 28, 2022

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Rosalie Wayman v. Terry York Motor Cars, Ltd.*
LWDA Case No. LWDA-CM-782289-20

To Whom It May Concern:

This letter is to supplement the letter sent by my office on behalf of Rosalie Wayman (“Ms. Wayman”) on April 8, 2020 (the “PAGA Letter”) regarding the Labor Code violations committed by Terry York Motor Cars, Ltd., and Does 1 through 100 (collectively, “Terry York”) against Ms. Wayman and aggrieved employees. A copy of the PAGA Letter is attached hereto as **Exhibit A** and it, along with the allegations in it, are incorporated herein by reference.

By this letter, Ms. Wayman supplements her PAGA Letter, by naming the following as additional entities who, alongside Terry York, committed and/or caused violations of the Labor Code described in her PAGA Letter and in this Supplemental PAGA Letter: Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine); Joe MacPherson Ford, dba AutoNation Ford

Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa (collectively “Defendants”).

In addition to the alleged Labor Code violations identified in Ms. Wayman’s April 8, 2020 PAGA Letter, Ms. Wayman alleges that Terry York and Defendants are also liable for the following violations of the Labor Code and Industrial Welfare Commission Wage Order 4:

Minimum Wage Violations

Defendants were required to pay Ms. Wayman and aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 200, 558, 1182.12, 1194, 1194.2, 1197; Wage Order 4, § 4. Because Defendants failed to compensate Ms. Wayman and aggrieved employees for non-productive time when they were paid on a commission-only basis, Defendants failed to compensate Ms. Wayman and aggrieved employees for all hours worked. Defendants have also failed to pay aggrieved employees for all hours worked, including (but not limited to) by requiring and/or permitting employees to work while off-the-clock. This has resulted in Ms. Wayman and other aggrieved employees not being paid all required wages for all hours worked, including all minimum wages. Defendants have also failed to compensate Ms. Wayman and other aggrieved employees for all required reporting time pay. Aggrieved employees were required to, and did, report to work, however, were not provided with any compensation for time spent reporting. On the occasions when aggrieved employees were not provided with hours constituting at least half of the employee’s usual scheduled hours, Defendant did not compensate employees for at least two hours of work at the employee’s regular rate of pay. As a result of Defendants’ policies/practices, which failed to

compensate for all hours worked, Ms. Wayman and aggrieved employees were deprived of all required minimum wages.

Rest Period Violations

Defendants have failed to authorize and permit all required rest periods for Ms. Wayman and other aggrieved employees. Specifically, Defendants have often failed to authorize and permit a net 10-minute rest period for every four hours worked or major fraction thereof, and Ms. Wayman and other employees often have had to take short (less than 10 minutes) rest periods, due to their workload. Defendants also failed to properly compensate Ms. Wayman and aggrieved employees for required rest periods while they worked pursuant to Defendants' commission compensation plans. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013). As a result, Defendants violated Labor Code §§ 226.7, 516, 558, and 1198, and Ms. Wayman and aggrieved employees are owed rest period premium payments.

Meal Period Violations

Defendants failed to provide Ms. Wayman and aggrieved employees with timely, full 30-minute first meal periods commencing before the conclusion of the fifth hour of work, in violation of Labor Code § 512, and Wage Order 4, §11(A). Ms. Wayman and aggrieved employees were also not provided with all required meal periods due to Defendants' meal period policies/practices which failed to provide a second meal period for shifts over 10.0 hours. *See* Labor Code §§ 226.7, 512, 558, 1198; Wage Order 4, § 11. As a result, Ms. Wayman and aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that meal periods were not provided. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.").

Overtime Wage Violations

Defendants were required to pay Ms. Wayman and aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 4, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." As stated above, Defendants have failed to pay

aggrieved employees for all hours worked, including (but not limited to) by requiring and/or permitting employees to work while off-the-clock, resulting in unpaid overtime wages. Additionally, Defendants failed to include the value of non-productive time, non-discretionary bonuses, and all remuneration when calculating the regular rate of pay for overtime purposes. As a result of these policies/practices, Ms. Wayman and aggrieved employees were not compensated for all overtime wages on occasions when Ms. Wayman and aggrieved employees worked over eight hours in a workday and/or 40 hours in a workweek.

Failure to Reimburse Employees for Necessary Business Expenses

Defendants failed to reimburse Ms. Wayman and aggrieved employees for necessary work expenses incurred due to Defendants' policy/practice of not providing any reimbursement for cellular phone expenses incurred in the direct discharge of the job duties of such employees. See Wage Order 4, § 9; Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer."); see also *Cochran v. Schwan's Home Service, Inc.*, 228 Cal.App.4th 1137 (2014). Accordingly, Ms. Wayman and aggrieved employees are entitled to reimbursement for all expenditures incurred as a direct consequence of the discharge of their duties for Defendants and/or at the direction of Defendants.

Wage Statement Violations

Defendants were required to furnish Ms. Wayman and aggrieved employees with complete and accurate itemized wage statements that show, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. See Labor Code §§ 226(a) and 1174(d); Wage Order 4, § 7. As a result of Defendants' failure to pay all minimum and overtime wages, and meal and rest period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Wayman and aggrieved employees in violation of Labor Code § 226. Furthermore, Defendants issued facially deficient wage statements which fail to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Defendants' failure to comply with the wage statement obligations was knowing and intentional, and Ms. Wayman and aggrieved employees have suffered injury as a result.

Failure to Timely Pay Final Wages

Defendants have also failed to timely pay former aggrieved employees all of their final wages at the time of separation of employment, including, but not limited to, all earned minimum wages, overtime wages, and meal and rest period premium wages, as required under Labor Code §§ 201-203.

Defendants' failure to pay all final wages due to former aggrieved employees was willful and, consequently, entitles them to waiting time penalties equal to one day of wages at their regular hourly rate of pay for each day Defendants failed to pay final wages after separation of employment, accruing up to a maximum of thirty days. See Labor Code § 203.

Failure to Maintain Accurate Records

Defendants were required to maintain accurate records pursuant to Labor Code §§ 1174, 1174.1, and 1174.5; Wage Order 4, § 7. As a result of the above alleged violations of the Labor Code, including, but not limited to, failure to accurately record all hours worked by Ms. Wayman and aggrieved employees, Defendant failed to maintain accurate records.

Failure to Provide Records

Defendants were required to maintain accurate records regarding Ms. Wayman and aggrieved employees' employment pursuant to Labor Code § 1174, and are required to furnish such records upon request pursuant to Labor Code § 1175. Defendants, however, failed to maintain accurate records pursuant to Labor Code § 1174, and failed to furnish all records requested by Ms. Wayman, and hindered aggrieved employees from obtaining their records in violation of Labor Code § 1175.

Failure to Provide One Day's Rest

Defendants were required to provide Ms. Wayman and aggrieved employees with one day's rest in seven days worked pursuant to Labor Code §§ 551-552. In violation of Labor Code §§ 551-552, Defendants scheduled and/or otherwise caused Ms. Wayman and other aggrieved employees to work seven consecutive days without a rest.

Improper Deductions From Pay

Defendants were prohibited from making unlawful deductions from Ms. Wayman's and aggrieved employees' wages pursuant to Labor Code §§ 221-224. In violation of Labor Code §§ 221-224, Defendants made unlawful deductions from Ms. Wayman's and aggrieved employees' wages that included, but was not limited to, dealer packs as stated in Ms. Wayman's and aggrieved employees' commission agreements and/or pay plans.

Falsely Denied Amount of Payments

Defendants were prohibited from withholding Ms. Wayman's and aggrieved employees' wages, in part or in whole, when due pursuant to Labor Code §§ 216 and 1199. In light of Defendants' commission agreements and/or pay plans, Defendants failed to pay Ms. Wayman and aggrieved employees all wages owed when due.

Failure to Provide Proper Pay Notices

Pursuant to Labor Code § 2810.5, Defendants were required to provide Ms. Wayman and other aggrieved employee with a written notice, in the language the employer normally used to communicate employment-related information to employees, that contained all information required in Labor Code § 2810.5(a)(1)(A)-(I). Specifically, Defendants were required to provide Ms. Wayman and aggrieved employees with notice providing, among other items, the rate or rates of pay and basis thereof, the regular payday designated by Defendants, the name, address and telephone number of Defendants. However, Defendants failed to provide Ms. Wayman and other aggrieved employees with written notice that included all information required by Labor Code § 2810.5.

Failure to Pay All Sick Pay

Pursuant to Labor Code §§ 233 and 246, a qualifying employee begins to accrue paid sick leave beginning on July 1, 2015, or if hired after that date, on the first day of employment. Labor Code § 246 states that employees “shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked,” and may begin using accrued paid sick days on the 90th day of employment. Labor Code § 246 further states that an employer “may satisfy the accrual requirements of [Section 246] by providing not less than 24 hours or three days of paid sick leave that is available to the employee to use by the completion of the employee’s 120th calendar day of employment.” Defendants failed to comply with Labor Code §§ 233 and 246 by not accurately calculating and paying the sick pay hours that Ms. Wayman’s and aggrieved employees’ had accrued during their employment.

Failure to Pay Vacation Time

Labor Code § 227.3 prohibits employers from subjecting vacation pay to unpaid forfeiture and requires an employer who has a policy that provides for vacation pay to pay its terminated employees for all of their vested and unused vacation pay. Additionally, in *Suastez v. Plastic Dress-Up, Co.*, 31 Cal.3d. 774 (1982), the California Supreme Court held that a proportionate right to vacation pay vests on a pro rata basis as the employee renders labor. In violation of Labor Code § 227.3, Defendants failed to accurately calculate Ms. Wayman’s and other aggrieved employee’s vacation wages, and thus failed to pay them all earned vacation wages upon separation of their employment.

As an “aggrieved employee,” Ms. Wayman will initiate a civil action on behalf of herself and aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Wayman’s own investigation, and on information and belief, Defendants committed, and continue to commit, the following violations:

1. Defendants violated Labor Code §§ 200, 558, 1182.12, 1194, 1194.2 and 1197, by failing to pay Ms. Wayman and aggrieved employees the statutory minimum

wage for all hours worked;

2. Defendants violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all rest periods as required by law and failing to separately compensate Ms. Wayman and aggrieved employees for required rest periods;
3. Defendants violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Wayman and aggrieved employees at these employee's respective regular rates of pay for meal period violations;
4. Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Wayman and aggrieved employees all overtime compensation earned;
5. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Wayman and aggrieved employees for all necessary work expenses incurred;
6. Defendants violated Labor Code §§ 226, 226(a), 226.2, 226.3, by failing to furnish Ms. Wayman and aggrieved employees with accurate and compliant itemized wage statements;
7. Defendants violated Labor Code §§ 201-203 by failing to timely pay Ms. Wayman and aggrieved employees all wages owed, including all minimum and overtime wages and all meal and rest period premiums;
8. Defendants violated Labor Code § 204 by failing to pay Ms. Wayman and aggrieved employees all wages owed at least twice per calendar month;
9. Defendants violated Labor Code §§ 1174, 1174.1, and 1174.5, by failing to maintain accurate records pertaining to Ms. Wayman and aggrieved employees;
10. Defendants violated Labor Code § 1175 by failing to furnish and/or produce accurate records pertaining to Ms. Wayman and aggrieved employees;
11. Defendants violated Labor Code §§ 551-552 by failed to provide Ms. Wayman and aggrieved employees with one day's rest in seven days worked;
12. Defendants violated Labor Code §§ 221-224 by making unlawful deductions from Ms. Wayman's and aggrieved employees' earned wages;
13. Defendants violated Labor Code §§ 216 and 1199 by withholding Ms. Wayman's and aggrieved employees' wages, in part or in whole, when due;

14. Defendants violated Labor Code § 2810.5 by failing to provide Ms. Wayman and aggrieved employees with written notice that included all information required by Labor Code § 2810.5;.
15. Defendants violated Labor Code §§ 233 and 246 by not accurately calculating the sick pay hours that Ms. Wayman and aggrieved employees' accrued during their employment;
16. Defendants violated Labor Code § 227.3 by failing to accurately calculate Ms. Wayman's and aggrieved employee's vacation wages, and thus failed to pay them all earned vacation wages upon separation of their employment; and
17. As a result of Defendants' violations of the Labor Code, Ms. Wayman's counsel is entitled to seek attorneys' fees pursuant to Labor Code §§ 2699(g), 1021.5.

Pursuant to Labor Code § 2699.3(a)(2)(A), please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Terry York Motor Cars, Ltd. (via certified mail); Allison Bavarian, dba BMW of Mountain View (via certified mail); AN CJ Valencia, Inc. (via certified mail); AN Fremont Luxury Imports, Inc., dba BMW of Fremont (via certified mail); AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek (via certified mail); AN Luxury Imports of San Diego, Inc., dba BMW Encinitas (via certified mail); AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia (via certified mail); Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento) (via certified mail); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose) (via certified mail); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia) (via certified mail); Auto Mission Ltd., dba AutoNation Toyota Hayward (via certified mail); Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont (via certified mail); Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos) (via certified mail); Beach City Chevrolet Company, Inc. (via certified mail); Buena Park Luxury Imports, Inc., dba BMW Buena Park (via certified mail); Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay) (via certified mail); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa) (via certified mail); Edgren Motor Company, Inc., dba AutoNation

Honda Fremont (via certified mail); Fit Kit, Inc., dba AutoNation Toyota Buena Park (via certified mail); House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine (via certified mail); Joe MacPherson Ford, dba AutoNation Ford Tustin (via certified mail); Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin (via certified mail); Magic Acquisition Corp., dba AutoNation Ford Valencia (via certified mail); Mr. Wheels, Inc., dba AutoNation Toyota Cerritos (via certified mail); Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach) (via certified mail); Peyton Cramer Automotive (dba AutoNation Acura South Bay) (via certified mail); Peyton Cramer Ford, dba AutoNation Ford Torrance) (via certified mail); Peyton Cramer Infiniti (via certified mail); Peyton Cramer Jaguar (via certified mail); Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services (via certified mail); Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta) (via certified mail); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville (via certified mail); Shamrock Ford, Inc., dba Ford of Dublin (via certified mail); Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek) (via certified mail); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek (via certified mail); Valencia B. Imports, Inc. dba Valencia BMW (via certified mail); Valencia Dodge (via certified mail); Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville) (via certified mail); Vanderbeek Olds/GMC Truck, Inc. (via certified mail); Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia (via certified mail); VistaCal Luxury Imports, Inc., dba BMW of Vista (via certified mail); Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville (via certified mail); AN Collision Center Roseville (via certified mail); AN Collision Center Fremont (via certified mail); Prime Auto Resources, Inc. dba AN Auto Action Los Angeles (via certified mail); Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia (via certified mail); AN Collision Center South Bay (via certified mail); LA Collision Center Long Beach (via certified mail); and AN Collision Center Costa Mesa (via certified mail)

EXHIBIT A

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

April 8, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Rosalie Wayman v. Terry York Motor Cars, Ltd.*

To Whom It May Concern:

Please be advised that this law firm represents Rosalie Wayman (“Ms. Wayman”) with respect to claims arising from her employment with Terry York Motor Cars, Ltd., and Does 1 through 100 (collectively “Defendants”). Ms. Wayman is an “aggrieved employee” as defined by Labor Code Section 2699 *et seq.*, due to Defendants’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3(a)(1), which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, the term “aggrieved employees” is intended to include all of Defendants’ current and former non-exempt employees who are paid on any commission based pay plan, during the one year preceding the date of this letter and continuing through the present, with respect to the Labor Code violations flowing from Defendants’ commissioned based pay plan claims discussed below (i.e., claims for non-productive time and rest period violations). With respect to the Labor Code violations pertaining to Defendants’ alleged failure to: (a) provide all meal periods; (b) pay all overtime wages due to a miscalculation of the regular rate of pay; and (c) reimburse all expenses, the term “aggrieved employees” is intended to include all non-exempt employees of Defendants during the one year preceding the date of this letter and continuing through the present.

Defendants own and operate the Land Rover Encino car dealership in Encino, California. Ms. Wayman has worked for Defendants since approximately June 2019. During Ms. Wayman’s employment with Defendants, Ms. Wayman and aggrieved employees were paid on a commission basis, whereby they were paid a commission per vehicle sold or leased. While paid on a commission basis, Ms. Wayman and aggrieved employees were not separately compensated for time spent working on tasks which were not compensated on a commission basis, including for example, hours spent waiting for customers and attending sales meetings (i.e., non-productive time). As a result, Ms. Wayman and aggrieved employees were not paid at least the minimum wage for all hours worked.

Furthermore, while working on a commission-only basis, Ms. Wayman and aggrieved employees worked shifts in excess of 3.5 hours, and were not provided with a paid rest period for every 4-hour period worked, or major fraction thereof, because Defendants' commission compensation plans failed to separately compensate Ms. Wayman and aggrieved employees for required rest periods. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013) ("There is no dispute that Safeway's activity-based compensation system did not separately compensate drivers for their rest periods."). As a result, Ms. Wayman and aggrieved employees were not provided with compensated rest periods or rest periods compensated at the correct rate of pay as required by Industrial Welfare Commission Wage Order 4, § 12(A).

In addition, Defendants routinely failed to provide Ms. Wayman and aggrieved employees with timely, full 30-minute first meal periods commencing before the conclusion of the fifth hour of work in violation of Labor Code § 512, and Wage Order 4, § 11(A). Ms. Wayman and aggrieved employees were also not provided with all required meal periods due to Defendants' meal period policies/practices which fail to provide a second meal period for shifts over 10.0 hours.

Ms. Wayman and other aggrieved employees also routinely worked in excess of 8 hours per workday and/or 40 hours per workweek, but did not receive overtime compensation equal to one and one-half times their regular rate of pay for working overtime hours. Specifically, Defendants paid Ms. Wayman and other aggrieved employees commission earnings, and other forms of non-discretionary pay that are not excludable from the regular rate of pay (hereinafter the aforementioned forms of pay are referred to as "Incentive Pay"). Despite Defendants' payment of Incentive Pay to Ms. Wayman and other aggrieved employees, Defendants failed to properly calculate the regular rate of pay, thereby causing Ms. Wayman and aggrieved employees to be underpaid all required overtime wages. Furthermore, Ms. Wayman and other aggrieved employees were not paid all overtime wages owed because Defendants failed to include the value of non-productive time when calculating the regular rate of pay for overtime purposes.

Defendants also failed to reimburse Ms. Wayman and aggrieved employees for use of their personal cellular phones for a variety of work activities, including, but not limited to, communicating with customers. Ms. Wayman and aggrieved employees were required to use their personal cellular phones for such work activities; however, Ms. Wayman and aggrieved employees were never reimbursed for their cellular phone expenses.

As a result of Defendants' failure to pay all minimum and overtime wages, rest period premium wages, and meal period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Wayman and aggrieved employees. Furthermore, Defendants issued facially non-compliant wage statements to Ms. Wayman and aggrieved employees that fail to accurately list all hourly rates and corresponding hours worked at each rate of pay in violation of Labor Code §

226(a)(9). Specifically, the wage statements issued by Defendants to Ms. Wayman and aggrieved employees fail to list the hourly rates and corresponding hours for “Overtime.” For instance, during the pay period beginning on January 16, 2020 and ending on January 31, 2020, the wage statement that Defendants furnished to Ms. Wayman failed to list any overtime rate that corresponded to the overtime hours she worked during that pay period.

As described above, Defendants committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 4 (“Wage Order 4”):

Minimum Wage Violations

Defendants were required to pay Ms. Wayman and aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 4, § 4. Because Defendants failed to compensate Ms. Wayman and aggrieved employees for non-productive time when they were paid on a commission-only basis, Defendants failed to compensate Ms. Wayman and aggrieved employees for all hours worked. As a result of these policies/practices, which fail to compensate for all hours worked, Ms. Wayman and aggrieved employees were deprived of all required minimum wages.

Rest Period Violations

As described above, Defendants failed to properly compensate Ms. Wayman and aggrieved employees for required rest periods while they worked pursuant to Defendants’ commission compensation plan. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013). As a result, Ms. Wayman and aggrieved employees are owed rest period premium payments.

Meal Period Violations

Defendants failed to provide Ms. Wayman and aggrieved employees with timely, full 30-minute first meal periods commencing before the conclusion of the fifth hour of work, in violation of Labor Code § 512, and Wage Order 4, §11(A). Ms. Wayman and aggrieved employees were also not provided with all required meal periods due to Defendants’ meal period policies/practices which fail to provide a second meal period for shifts over 10.0 hours. *See* Labor Code §§ 226.7, 512; Wage Order 4, § 11. As a result, Ms. Wayman and aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that meal periods were not provided. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”).

Overtime Wage Violations

Defendants were required to pay Ms. Wayman and aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 4, § 3. According to Labor Code § 510(a), “Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.” This section further provides, “Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” As alleged above, Defendants failed to include the value of non-productive time when calculating the regular rate of pay for overtime purposes, and failed to include Incentive Pay when calculating the regular rate of pay for overtime purposes. As a result of this policy/practice, Ms. Wayman and aggrieved employees were not compensated for all overtime wages on occasions when Ms. Wayman and aggrieved employees worked over eight hours in a workday and/or 40 hours in a workweek.

Failure to Reimburse Employees for Necessary Business Expenses

Defendants failed to reimburse Ms. Wayman and other aggrieved employees for necessary work expenses incurred due to Defendants’ policy/practice of not providing any reimbursement for cellular phone expenses incurred in the direct discharge of the job duties of such employees. *See* Wage Order 4, § 9; Labor Code §§ 2802 and 2804 (“An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.”); *see also Cochran v. Schwan’s Home Service, Inc.*, 228 Cal.App.4th 1137 (2014). Accordingly, Ms. Wayman and aggrieved employees are entitled to reimbursement for all expenditures incurred as a direct consequence of the discharge of their duties for Defendants and/or at the direction of Defendants.

Wage Statement Violations

Defendants are required to furnish Ms. Wayman and aggrieved employees with complete and accurate itemized wage statements that show, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 4, § 7. As a result of Defendants’ failure to pay all minimum and overtime wages, and meal and rest period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Wayman and aggrieved employees in violation of Labor Code § 226. Furthermore, Defendants issued facially deficient wage statements which fail to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Defendants’

failure to comply with the wage statement obligations was knowing and intentional, and Ms. Wayman and aggrieved employees have suffered injury as a result.

As an “aggrieved employee,” Ms. Wayman will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Wayman’s own investigation, and on information and belief, Defendants committed, and continues to commit, the following violations:

- a. Defendants violated Labor Code §§ 558, 1182.12, 1194, 1194.2 and 1197, by failing to pay Ms. Wayman and aggrieved employees the statutory minimum wage for all hours worked;
- b. Defendants violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all rest periods as required by law and failing to separately compensate Ms. Wayman and aggrieved employees for required rest periods;
- c. Defendants violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Wayman and aggrieved employees at these employee’s respective regular rates of pay for meal period violations;
- d. Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Wayman and other aggrieved employees all overtime compensation earned;
- e. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Wayman and aggrieved employees for all necessary work expenses incurred;
- f. Defendants violated Labor Code § 226 by failing to furnish Ms. Wayman and aggrieved employees with accurate and compliant itemized wage statements;
- g. Defendants violated Labor Code § 204 by failing to pay Ms. Wayman and aggrieved employees all wages earned at least twice during each calendar month; and
- h. Defendants violated Labor Code § 1174 by failing to maintain accurate records on behalf of Ms. Wayman and aggrieved employees.

LWDA
April 8, 2020
Page 6 of 6

Pursuant to Labor Code Section 2699.3(a)(2)(A), please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: TERRY YORK MOTOR CARS, LTD. (via certified mail)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TERRY YORK MOTOR CARS, LTD
C/O CSC-LAWYERS INCORPORATING
SERVICE
2710 GATEWAY OAKS DR., STE. 150N
SACRAMENTO, CA 95833



9590 9402 5296 9154 3123 40

2. Article Number (Transfer from service label)

7020 0090 0001 5507 7557

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below ☐ No

3. Service Type

- | | |
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| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
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| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
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TERRY YORK MOTOR CARS, LTD
C/O CSC-LAWYERS INCORPORATING
SERVICE
2710 GATEWAY OAKS DR., STE. 150N
SACRAMENTO, CA 95833



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

7020 0090 0001 5507 7557

From: noreply@salesforce.com on behalf of [LWDA DO NOT REPLY](#)
To: [Aaron Clark](#)
Subject: Thank you for submission of your PAGA Case.
Date: Wednesday, April 08, 2020 12:43:29 PM

4/8/2020

LWDA Case No. LWDA-CM-782289-20
Law Firm : Haines Law Group, APC
Plaintiff Name : Rosalie Wayman
Employer: Terry York Motor Cars, Ltd.

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 3

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

November 30, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Riham Megally v. Carwell, LLC dba Mercedes-Benz of South Bay*

To Whom It May Concern:

Please be advised that this law firm represents Riham Megally (“Ms. Megally”), with respect to claims arising from her employment with Carwell, LLC, dba Mercedes Benz of South Bay; and Does 1 through 100 (collectively, “Defendants”). Ms. Megally is an “aggrieved employee” as defined by Labor Code Section 2699 *et seq.*, due to Defendants’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3(a)(1), which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

Pursuant to California Judicial Council Emergency Rule 9, statutes of limitations of more than 180 days were suspended for 178 days, from April 6, 2020 through October 1, 2020. Accordingly, for purposes of this letter, “aggrieved employees” refers to all of Defendants’ California non-exempt employees who worked for Defendants at any time in the one-year plus 178 days preceding the submission of this letter to the LWDA through the present.

Defendants own and operate several car dealerships in Southern California including, but not limited to, Mercedes Benz of South Bay, and Land Rover South Bay. Ms. Megally worked at Defendants’ Mercedes Benz of South Bay car dealership as a non-exempt Sales Associate until approximately June 2, 2020.

During Ms. Megally and other aggrieved employees’ employment with Defendants, Ms. Megally and other aggrieved employees were paid pursuant to a commission pay plan whereby Ms. Megally and other aggrieved employees were paid a commission per vehicle sold or leased. Ms. Megally, and other aggrieved employees recorded their actual hours worked, however, were only paid hourly wages if their earned commissions did not exceed their hourly wages in a pay period. While paid on a commission-only basis, Defendants failed to separately compensate Ms. Megally and other aggrieved employees for all time spent working on tasks which were not compensated on a commission-only basis, including, but not limited to, hours spent waiting for customers,

attending meetings, taking cars to be washed, picking up cars from other dealerships, and trainings (i.e., non-productive time). As a result, Ms. Megally and other aggrieved employees were not paid at least the minimum wage for all hours worked.

While working on a commission-only basis, Ms. Megally and aggrieved employees worked shifts in excess of 3.5 hours, and were not always provided with a paid rest period for every 4-hour period worked, or major fraction thereof, due to Defendants' commission compensation plan, which failed to separately compensate Ms. Megally and aggrieved employees for all required rest periods at the correct rate of pay. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013) ("There is no dispute that Safeway's activity-based compensation system did not separately compensate drivers for their rest periods."). Upon information and belief, for at least a portion of the relevant time period, Defendants failed to properly pay Ms. Megally and other aggrieved employees for paid rest periods at the correct rate of pay as required by Industrial Welfare Commission Wage Order 4 § 12(A).

Moreover, Ms. Megally and other aggrieved employees were not provided with all required meal periods due to Defendants' meal period policies/practices, which failed to provide timely 30-minute duty-free first meal periods (i.e., a first meal period commencing before the end of the fifth hour of work). Specifically, Ms. Megally and other aggrieved employees' meal periods were often late, interrupted, and/or less than 30-minutes due to Defendants' policy/practice of requiring employees to assist customers in a prompt fashion. Ms. Megally and other aggrieved employees would often take meal periods after the fifth hour of work because they were not able to leave customers unattended. However, upon information and belief, Defendants would alter employees' timecards to indicate a purportedly compliant meal period, even though first meal periods were often late, interrupted, and/or less than 30 minutes. Furthermore, Defendants failed to provide Ms. Megally and other aggrieved employees a second meal period during shifts in excess of 10.0 hours. Although Ms. Megally and other aggrieved employees were not provided with all legally-compliant meal periods to which they were entitled, Defendants failed to pay Ms. Megally and other aggrieved employees the required meal period premiums for each workday in which a meal period violation occurred, as required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Defendants maintained no payroll code for the payment of meal period premium payments as required by Labor Code § 226.7.

Defendants also failed to adequately reimburse to Ms. Megally and other aggrieved employees for use of their personal cellular phone for a variety of work-related purposes, including communicating with their coworkers, supervisors, and clients. Although Defendants required Ms. Megally and aggrieved employees to use their personal cellular phones for work related activities, Defendants failed to adequately reimburse Ms. Megally and other aggrieved employees for all cellular phone expenses.

As a result of Defendants' failure to pay all minimum wages, rest period premium wages, and meal period premium wages, Defendants maintained inaccurate payroll records

and issued inaccurate wage statements to Ms. Megally and other aggrieved employees. Furthermore, Defendants issued facially deficient wage statements to Ms. Megally and other aggrieved employees which failed to list all applicable rates of pay in effect during the pay period and the corresponding number of hours worked at early hourly rate in violation of Labor Code § 226(a)(9).

As a further result of Defendants' failure to pay all minimum wages, rest period premium wages, and meal period premium wages, Defendants failed to pay all wages owed to Ms. Megally and other aggrieved employees upon their separation of employment.

As described above, Defendants committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 4 ("Wage Order 4"):

Minimum Wage Violations

Defendants were required to pay Ms. Megally and aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 4, § 4. Because Defendants failed to compensate Ms. Megally and other aggrieved employees for all non-productive time when they were paid on a commission-only basis, Defendants failed to compensate Ms. Megally and other aggrieved employees for all hours worked. As a result of Defendants' policies/practices, which fail to compensate for all hours worked, Ms. Megally and other aggrieved employees were deprived of all required minimum wages.

Rest Period Violations

As described above, Defendants failed to separately compensate Ms. Megally and aggrieved employees for required rest periods at the correct rate of pay while they worked pursuant to Defendants' commission compensation plans. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013). As a result, Ms. Megally and aggrieved employees are owed rest period premium payments.

Meal Period Violations

Ms. Megally and other aggrieved employees did not receive all required meal periods due to Defendants' meal period policies/practices which fail to provide legally-compliant first and second meal periods. *See* Labor Code §§ 226.7, 512; Wage Order 4, § 11. As a result, Ms. Megally and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that meal periods were not provided. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.").

Failure to Reimburse Employees for Necessary Business Expenses

Defendants failed to adequately reimburse Ms. Megally and other aggrieved employees for necessary work expenses incurred due to Defendants' policy/practice of not providing all reimbursements for cellular phone expenses. *See* Wage Order 4, § 9; Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer."); *see also, Cochran v. Schwan's Home Service, Inc.*, 228 Cal.App.4th 1137 (2014). Accordingly, Ms. Megally and other aggrieved employees are entitled to reimbursement for all expenditures incurred as a direct consequence of the discharge of their duties for Defendants and/or at the direction of Defendants.

Wage Statement Violations

Defendants are required to furnish Ms. Megally and other aggrieved employees with complete and accurate itemized wage statements that show, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 4, § 7. As a result of Defendants' failure to pay all minimum wages, rest period premium wages, and meal period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Megally and other aggrieved employees in violation of Labor Code § 226. Further, Defendants issued facially deficient wage statements which failed to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Defendants' failure to comply with the wage statement obligations was knowing and intentional, and Ms. Megally and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendants failed to timely pay Ms. Megally and other aggrieved employees all of their final wages at the time of separation, which included all minimum wages, as well as all rest period premium wages, and meal period premium wages. Defendants' failure to pay all final wages due to Ms. Megally and aggrieved employees was willful and, consequently, entitles Ms. Megally and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendants failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Ms. Megally will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Ms.

Megally's own investigation, and on information and belief, Defendants committed, and continue to commit, the following violations:

- a. Defendants violated Labor Code §§ 558, 1182.12, 1194, 1194.2 and 1197, by failing to pay Ms. Megally and other aggrieved employees the statutory minimum wage for all hours worked;
- b. Defendants violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all rest periods as required by law and/or failing to separately compensate Ms. Megally and other aggrieved employees for required rest periods at the correct rate of pay;
- c. Defendants violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Megally and other aggrieved employees at these employee's respective regular rates of compensation for meal period violations;
- d. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Megally and other aggrieved employees for all necessary work expenses incurred;
- e. Defendants violated Labor Code § 226 by failing to furnish Ms. Megally and other aggrieved employees with accurate and compliant itemized wage statements;
- f. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due, including but not limited to minimum wages, rest period premium wages, and meal period premium wages to Ms. Megally and other aggrieved employees upon their separation of employment;
- g. Defendants violated Labor Code § 204 by failing to pay Ms. Megally and other aggrieved employees all wages earned at least twice during each calendar month; and
- h. Defendants violated Labor Code § 1174 by failing to maintain accurate records on behalf of Ms. Megally and other aggrieved employees.

LWDA
November 30, 2020
Page 6 of 6

Pursuant to Labor Code Section 2699.3(a)(2)(A), please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Carwell, LLC, dba Mercedes-Benz of South Bay (via certified mail)

7020 1290 0000 9379 5891

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City, State	
Carwell, LLC c/o CSC-Lawyers Incorporating Service 2710 Gateway Oaks Dr., Ste. 150N Sacramento, CA 95833 (Attn AC)	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
- Complete items 1, 2, and 3. - Print your name and address on the reverse so that we can return the card to you. - Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <i>Saeeda</i> ☒ Agent ☐ Addressee
1. Article Addressed to: Carwell, LLC c/o CSC-Lawyers Incorporating Service 2710 Gateway Oaks Dr., Ste. 150N Sacramento, CA 95833	B. Received by (Printed Name) <i>Kay Saadon</i> C. Date of Delivery D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
2. Article 9590 9402 5237 9122 8679 30	3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for this Confirmation™ ☐ Confirmation and Delivery



EXHIBIT 4

JAMES *JH* HAWKINS

A PROFESSIONAL LAW CORPORATION

9880 RESEARCH DRIVE, SUITE 200, IRVINE, CALIFORNIA 92618

TELEPHONE (949) 387-7200; FACSIMILE (949) 387-6676

September 1, 2021

Via LWDA Website

Labor and Workforce Development Agency

Attn: PAGA Administrator

1515 Clay Street, Suite 801

Oakland, CA 94612

<http://www.dir.ca.gov/Private-Attorneys-General-Act>

Via Certified Mail

BARGAIN RENT-A-CAR dba LEXUS OF CERRITOS

Agent for Service of Process: CORPORATION SERVICE COMPANY dba CSC -
LAWYERS INCORPORATING SERVICE

2710 Gateway Oaks Drive, Suite 150N

Sacramento, CA 95833

Receipt No. 7020 1810 0002 0535 7564

AUTONATION, INC.

Agent for Service of Process: Corporation Service Company

251 Little Falls Drive

Wilmington, DE 19808

Receipt No. 7020 1810 0002 0535 7571

Re: NOTICE PURSUANT TO LABOR CODE SECTIONS 2698, *et seq.*

To Whom It May Concern:

PLEASE TAKE NOTICE that plaintiff SULTAN AHMAD individually and on behalf of all similarly situated representative aggrieved employees, gives NOTICE to commence and/or amend a civil action pursuant to California Labor Code Sections 2698, *et seq.*

Plaintiff hereby gives written notice by certified mail to the Labor and Workforce Development Agency, and BARGAIN RENT-A-CAR, a California Corporation, doing business as LEXUS OF CERRITOS; AUTONATION, INC., a Delaware Corporation, through its Agents for Service of Process.

Plaintiff hereby attaches a copy of the Proposed PAGA Representative Action Complaint to be filed in the Los Angeles County Superior Court, as though fully set forth herewith setting out the specific provisions of the Labor Code Plaintiff alleges have been violated, including the facts and theories. All labor provisions in the Proposed PAGA Representative Action Complaint alleged to have been violated pertain to all entities and individuals named in the Complaints, even if not expressly specified.

Please advise within sixty (60) days of the post mark on this letter if the LWDA intends to investigate these claims. Thank you, and if you have any questions, please do not hesitate to contact me.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Gregory Mauro', with a stylized, cursive script.

Gregory Mauro

Enclosure: Proposed PAGA Representative Action Complaint

EXHIBIT 5

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement” or “Settlement”) is made and entered into between Plaintiffs Rosalie Wayman, Riham Megally, and Sultan Ahmad (“Plaintiffs”), acting in a private attorney general capacity, and Defendants Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine); Joe MacPherson Ford, dba AutoNation Ford Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa (collectively “Defendants”). (Plaintiffs and Defendants are collectively referred to as the “Parties”).

I. DEFINITIONS

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter titled *Rosalie Wayman v. Terry York Motor Cars, LTD., et al.*, Los Angeles Superior Court, Case No. 20STCV22528, and as set forth in Plaintiffs’ correspondence to the California Labor and Workforce Development Agency (“LWDA Letters”) dated April 8, 2020, November 30, 2020, September 1, 2021, and April 27, 2022.

2. “Aggrieved Employees” consist of all current and former non-exempt employees who worked for Defendants in California at any time during the PAGA Period. The number of Aggrieved Employees, including Plaintiffs, is estimated to be approximately 6,366 individuals.

3. “Defendants” means Defendants Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine; Joe MacPherson Ford, dba AutoNation Ford Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa.

4. “Settlement Administrator” means Phoenix Settlement Administrators.

5. “Complaint” means the operative complaint in the Action, which is the First Amended Representative Action Complaint.

6. “Court” means the Superior Court of California for the County of Los Angeles.

7. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.

8. “LWDA” means the California Labor and Workforce Development Agency.

9. “Gross Settlement Amount” is the non-reversionary sum of One Million Two Hundred Nine Thousand Two Hundred Seventy-Four Dollars and Zero Cents (\$1,209,274.00), which represents the total amount payable under this Settlement Agreement by Defendants (subject to the Escalator Clause described below), including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiffs’ attorneys’ fees and costs, payment of Plaintiffs’ enhancement payments, and payment to the Settlement Administrator for administration costs.

10. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) Plaintiffs’ attorneys’ fees up to one third of the Gross Settlement Amount; (b) Plaintiffs’ litigation costs up to \$35,000.00; (c) Plaintiffs’ enhancement payments up to \$5,000.00 each, for a total of \$15,000.00; and (d) settlement administration costs up to \$21,950.00.

11. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

12. “PAGA Period” means the time period from November 15, 2019 through June 30, 2022.

13. “PAGA Released Claims” mean all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.2, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, and claims for attorneys’ fees, costs, or interest resulting therefrom. The release of the PAGA Released Claims shall extend for the duration of the PAGA Period.

14. “Parties” means, collectively, Plaintiffs and Defendants.

15. “Plaintiffs’ Counsel” means Paul K. Haines, Sean M. Blakely, and Neil Larsen of Haines Law Group, APC, and James R. Hawkins of James Hawkins APLC.

16. “Released Parties” means Defendants and their former, present and future owners, parents, and subsidiaries, and all of their current, former and future officers, directors, members, managers, partners, shareholders, joint venturers, successors, assigns, accountants, insurers, or legal representatives.

II. RECITALS

1. Plaintiffs performed work for Defendants as non-exempt employees in California during the PAGA Period and are therefore Aggrieved Employees.

2. On April 8, 2020, November 30, 2020, September 1, 2021, and April 27, 2022, Plaintiffs provided written notice to the LWDA and Defendants asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of various Labor Code sections and their intent to file a civil lawsuit under the PAGA.

3. On June 15, 2020, Plaintiff Wayman filed a representative action complaint titled *Rosalie Wayman v. Terry York Motor Cars, LTD, et al.*, Los Angeles Superior Court, Case No. 20STCV22528, asserting a cause of action for civil penalties under the PAGA.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or an admission by Defendants of any liability or wrongdoing as to Plaintiffs, the Aggrieved Employees or any other person. Defendants specifically disclaim and deny any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendants shall pay One Million Two Hundred Nine Thousand Two Hundred Seventy-Four Dollars and Zero Cents (\$1,209,274.00) as the non-reversionary Gross Settlement Amount. Defendants will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). Defendants shall deposit the Gross Settlement Amount into a Qualified Settlement Account and agrees to fund the settlement within fifteen (15) days of the Court's Order approving the PAGA settlement.

The Gross Settlement Amount shall be used to pay: (1) Amounts distributable to the LWDA and Aggrieved Employees; (2) Plaintiffs' attorneys fees and litigation costs; (3) Plaintiffs' enhancement payments; and (4) Settlement administration costs.

3. **Escalator Clause.** Defendants represents that there are approximately 219,868 pay periods worked by Aggrieved Employees in California during the PAGA Period ("Affected Pay Periods"). If the actual number of Affected Pay Periods is more than 10% greater than this number (i.e., if there are more than 241,855 Affected Pay Periods), Defendants shall increase the GSA in proportion to the increase in Affected Pay Periods beyond 10% (e.g., if the number of Affected Pay Periods is 12% greater than 219,868, Defendants shall increase the GSA by 2%).

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. Plaintiffs' Attorneys' Fees and Costs. Defendants will not oppose Plaintiffs' request for attorneys' fees in the amount up to one third of the Gross Settlement Amount (currently estimated to be \$403,091.33) and costs up to \$35,000.00 incurred in prosecuting this Action. In the event the Court approves less than these amounts, the difference will be added to the Net Settlement Amount (although Plaintiffs may appeal an order granting less than the full amount sought for attorneys' fees and costs). Defendants, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiffs' Counsel.

b. Plaintiffs' Enhancement Payments. Defendants will not oppose Plaintiffs' request for an enhancement payment of up to \$5,000.00 each, for a total of \$15,000.00, for serving as the representative plaintiffs in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount (although Plaintiffs may appeal an order granting less than the full amount sought for Plaintiffs' enhancement payments). Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiffs.

c. Administration Costs. Defendants will not oppose the Settlement Administrator's costs in the amount up to \$21,950.00 for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendants, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to all Aggrieved Employees pro rata, based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

a. The parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the parties agree to re-negotiate in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Plaintiffs agree that upon entry of an Order approving the Settlement and judgment entered thereon, and upon the Settlement being fully funded, Plaintiffs and all Aggrieved Employees will release the PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the settlement and judgment entered thereon and the Settlement being fully funded, Plaintiffs and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. Covenants and Representations by Plaintiffs and Plaintiffs' Counsel.

a. Plaintiffs represent and warrant that they have not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

b. Plaintiffs acknowledge that they have read this Settlement Agreement, that they fully understand their rights, privileges and duties under the Settlement Agreement, and enter

into this Settlement Agreement freely and voluntarily. Plaintiffs further acknowledge that they have had the opportunity to consult with their attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

8. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiffs and Plaintiffs' Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiffs nor Plaintiffs' Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiffs' counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the Settlement, as required by Labor Code section 2698, *et seq.*, Plaintiffs' Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Labor Code § 2699(1)(2).

9. **Motion for Approval of PAGA Settlement by Plaintiffs' Counsel.** Plaintiffs' Counsel shall be responsible for promptly preparing and filing the Motion for Approval of the PAGA Settlement.

10. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement Agreement.

11. **Judgment.** As part of the Motion to approve the Settlement, Plaintiffs shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Settlement Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiffs and the Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to engage Phoenix Settlement Administrators to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within ten (10) business days after entry of an order approving the settlement, Defendants shall provide the Settlement

Administrator with information for Aggrieved Employees. Defendants will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, number of pay periods worked during the PAGA Period, and Social Security numbers to the extent available from Defendants' records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement. Within seven (7) calendar days of receiving the Aggrieved Employees' information from Defendants, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within twenty-one (21) calendar days after the Settlement has been fully funded and after receiving approval from Plaintiffs' Counsel and Defendants' counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other reputable search method using the name, address or Social Security number of the Aggrieved Employee involved, and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed more than 180 days after issuance (collectively, "Uncashed Checks"), shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

5. **Distribution of Payments.** Within twenty-one (21) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to (1) Aggrieved Employees; (2) the LWDA; (3) Plaintiffs' Counsel for Plaintiffs' Counsel's Court-approved attorneys' fees and litigation costs and expenses; (4) Plaintiffs for the Court-approved enhancement payments and (5) the Settlement Administrator for Court-approved Settlement administration costs incurred in connection with the Settlement. Payments made by Defendants pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with any accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiffs nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement Agreement.

V. **MISCELLANEOUS PROVISIONS**

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs and attorneys' fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them with respect to the subject matter of this Settlement Agreement, and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA claim in the Action.

6. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the settlement as provided herein; or (ii) the settlement does not become final for any

other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

7. **Judgment and Continued Jurisdiction.** As noted above, after approval of this settlement, the Court will have continuing jurisdiction under Cal. Code Civ. Proc. § 664.6 for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

8. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest, or by counsel for all Parties.

9. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the mediator (Marc Feder) or the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

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

13. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the

maximum enforceability or validation of the term or provision.

14. **Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

18. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

19. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: May 13, 2022, 2022



Rosalie Wayman (May 13, 2022 15:06 PDT)
Rosalie Wayman, Plaintiff

Dated: _____, 2022

Riham Megally, Plaintiff

maximum enforceability or validation of the term or provision.

14. **Waiver**. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

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IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement and hereby executes it voluntarily and with full understanding of its consequences.

Dated: _____, 2022

Rosalie Wayman, Plaintiff

Dated: May 12, 2022, 2022

riham megally (May 12, 2022 12:51 PDT)
Riham Megally, Plaintiff

Dated: 5/13/2022, 2022

DocuSigned by:

2860042DCC50404...

Sultan Ahmad, Plaintiff

Allison Bavarian

Dated: _____, 2022

By: Peiman Roshan
Its: Authorized Agent

AN Fremont Luxury Imports, Inc.

Dated: _____, 2022

By: Gretchen Sprenger
Its: Authorized Agent

AN CJ Valencia, Inc.

Dated: _____, 2022

By: Tom Mila
Its: Authorized Agent

AN Imports of Stevens Creek, Inc.

Dated: _____, 2022

By: Casey Cutts
Its: Authorized Agent

AN Luxury Imports of San Diego, Inc.

Dated: _____, 2022

By: Darrin Fetterolf
Its: Authorized Agent

AN San Jose Luxury Imports, Inc.

Dated: _____, 2022

By: Kevin Sitch
Its: Authorized Agent

Dated: _____, 2022

Sultan Ahmad, Plaintiff

Allison Bavarian

Dated: 5/4/2022, 2022

DocuSigned by:

P.J. Roshan

By: 8D710345B7B549B1 Peiman Roshan

Its: Authorized Agent

AN Fremont Luxury Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Gretchen Sprenger

By: 78EEF86B29874A2 Gretchen Sprenger

Its: Authorized Agent

AN CJ Valencia, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: 05DBFB7A8DDB401 Tom Mila

Its: Authorized Agent

AN Imports of Stevens Creek, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Casey Cutts

By: C3A7640F0670423 Casey Cutts

Its: Authorized Agent

AN Luxury Imports of San Diego, Inc.

Dated: 5/17/2022, 2022

DocuSigned by:

Darrin Fetterolf

By: 293F1D60A8D2411 Darrin Fetterolf

Its: Authorized Agent

AN San Jose Luxury Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Kevin Sitch

By: 5744063264614D6 Kevin Sitch

Its: Authorized Agent

AN Valencia Auto Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Auto Car, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Gary Pistoichini

By: Gary Pistoichini

Its: Authorized Agent

Auto Company XIX, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Dan Comouche

By: Dan Comouche

Its: Authorized Agent

Auto Company XXII, Inc.

Dated: 5/25/2022, 2022

DocuSigned by:

Robert Stuban

By: Robert Stuban

Its: Authorized Agent

Auto Company XXIII, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

James Garwick

By: James Garwick

Its: Authorized Agent

Auto Mission Ltd.

Dated: 5/4/2022, 2022

DocuSigned by:

Frankie Huey

By: Frankie Huey

Its: Authorized Agent

Auto West, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Bargain Rent-A-Car

Dated: 5/11/2022, 2022

DocuSigned by:

Brian Walker

By: Brian Walker

Its: Authorized Agent

Buena Park Luxury Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Kevin Oliff

By: Kevin Oliff

Its: Authorized Agent

Beach City Chevrolet Company, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Carwell, LLC.

Dated: 5/4/2022, 2022

DocuSigned by:

Dennis Turner

By: Dan Turner

Its: Authorized Agent

Costa Mesa Cars, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Erwin Artacho

By: Erwin Artacho

Its: Authorized Agent

Edgren Motor Company, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:



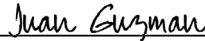
By: Brian Tam

Its: Authorized Agent

Fit Kit, Inc.

Dated: 5/10/2022, 2022

DocuSigned by:



By: Juan Guzman

Its: Authorized Agent

House of Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:



By: David Kim

Its: Authorized Agent

Irvine Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:



By: Mark Mehta

Its: Authorized Agent

Joe MacPherson Ford

Dated: 5/4/2022, 2022

DocuSigned by:



By: Scott Clement

Its: Authorized Agent

Joe MacPherson Infiniti

Dated: 5/4/2022, 2022

DocuSigned by:



By: Alder Ortiz

Its: Authorized Agent

Magic Acquisition Corp.

Dated: 5/4/2022, 2022

DocuSigned by:



By: B6A44FA11A0B4A3 Polo Lopez

Its: Authorized Agent

Mr. Wheels, Inc.

Dated: 5/9/2022, 2022

DocuSigned by:



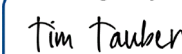
By: 879B375BADF8451 Kevin Naderi

Its: Authorized Agent

Newport Beach Cars, LLC.

Dated: 5/10/2022, 2022

DocuSigned by:



By: CEA83E53A886498 Tim Tauber

Its: Authorized Agent

Peyton Cramer Automotive

Dated: 5/4/2022, 2022

DocuSigned by:



By: C0EFC0B8EEF419 Mitchell Merten

Its: Authorized Agent

Peyton Cramer Ford

Dated: 5/9/2022, 2022

DocuSigned by:



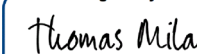
By: 9A3EF6540245477 Christopher Hong

Its: Authorized Agent

Peyton Cramer Infiniti .

Dated: 5/5/2022, 2022

DocuSigned by:



By: Q5DBF87A8DD8401 Tom Mila

Its: Authorized Agent

Peyton Cramer Jaguar

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Prime Auto Resources, Inc.

Dated: 5/10/2022, 2022

DocuSigned by:

Raul Diaz

By: Raul Diaz

Its: Authorized Agent

Roseville Motor Corporation

Dated: 5/9/2022, 2022

DocuSigned by:

James Rentschler

By: James Rentschler

Its: Authorized Agent

Shamrock Ford, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Stevens Creek Luxury Imports, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Kevin Sitch

By: Kevin Sitch

Its: Authorized Agent

Stevens Creek Motors, Inc.

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Mila

By: Tom Mila

Its: Authorized Agent

Terry York Motors Cars, Ltd.

Dated: 5/4/2022, 2022

DocuSigned by:

Sara Ziegenhagen

By: Sara Ziegenhagen

Its: Authorized Agent

Valencia B. Imports, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Niko Karvunidis

By: Niko Karvunidis

Its: Authorized Agent

Vanderbeek Motors, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

GLEVSKI, JASON

By: ^{8C3D1DB4A7164A3} Jason Gilevski

Its: Authorized Agent

Valencia Dodge

Dated: 5/5/2022, 2022

DocuSigned by:

Thomas Milla

By: ^{05DBFB7A8DD84C1} Tom Milla

Its: Authorized Agent

Vince Wiese Chevrolet, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Charles Coia

By: ^{1EC4DAB6A5BD4A6} Charles Coia

Its: Authorized Agent

Vanderbeek Olds/GMC Truck, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Charles Coia

By: ^{1EC4DAB6A5BD4A6} Charles Coia

Its: Authorized Agent

VistaCal Luxury Imports, Inc.

Dated: 5/17/2022, 2022

DocuSigned by:

Darrin Fetterolf

By: ^{293FFB60A8D9417} Dan Fetterolf Darrin Fetterolf

Its: Authorized Agent

Prime Auto Cosmetics, Inc.

Dated: 5/4/2022, 2022

DocuSigned by:

Alberto Reyes

By: ^{4B2AC790D5144F3} Alberto Reyes

Its: Authorized Agent

Prime Auto Resources, Inc.

Dated: 5/10/2022, 2022

DocuSigned by:

Raul Diaz

By: Raul Diaz

Its: Authorized Agent

APPROVED AS TO FORM:

Dated: _____, 2022

HAINES LAW GROUP, APC

By: _____

Paul K. Haines

Sean M. Blakely

Attorneys for Plaintiffs

Dated: _____, 2022

JAMES HAWKINS APLC

By: _____

James R. Hawkins

Attorneys for Plaintiffs

Dated: 5/5/2022, 2022

FISHER & PHILLIPS LLP

DocuSigned by:

Christopher Hoffman

By: Christopher Hoffman

Christopher C. Hoffman

Attorneys for Defendants

Prime Auto Resources, Inc.

Dated: _____, 2022

By: _____
Its: Authorized Agent

APPROVED AS TO FORM:

Dated: May 17, 2022

HAINES LAW GROUP, APC

By:  _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

Dated: _____, 2022

JAMES HAWKINS APLC

By: _____
James R. Hawkins
Attorneys for Plaintiffs

Dated: _____, 2022

FISHER & PHILLIPS LLP

By: _____
Christopher C. Hoffman
Attorneys for Defendants

Prime Auto Resources, Inc.

Dated: _____, 2022

By: _____
Raul Diaz
Authorized Agent

APPROVED AS TO FORM:

Dated: _____, 2022

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiffs

Dated: May 13, 2022

JAMES HAWKINS APLC

By:  _____
James R. Hawkins
Attorneys for Plaintiffs

Dated: _____, 2022

FISHER & PHILLIPS LLP

By: _____
Christopher C. Hoffman
Attorneys for Defendants

EXHIBIT A

**Re: Payment from Rosalie Wayman, et al. v. Terry York Motor Cars Ltd., et al.
Superior Court of California Los Angeles County; Case No. 20STCV22528**

Date: [REDACTED]/[REDACTED]/2022

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Rosalie Wayman, et al. v. Terry York Motor Cars, Ltd., et al.*, Los Angeles Superior Court, Case No. 20STCV22528, pending in the Superior Court of the State of California for the County of Los Angeles (the “Action”).

The Action was filed against Defendants Terry York Motor Cars, Ltd; Allison Bavarian, dba BMW of Mountain View; AN CJ Valencia, Inc.; AN Fremont Luxury Imports, Inc., dba BMW of Fremont; AN Imports of Stevens Creek, Inc., dba MINI of Stevens Creek; AN Luxury Imports of San Diego, Inc., dba BMW Encinitas; AN San Jose Luxury Imports, Inc. (dba Mercedes-Benz of Stevens Creek; AutoNation Volvo Cars San Jose, and AutoNation Collision Center Stevens Creek); AN Valencia Auto Imports, Inc., dba Mini of Valencia; Auto Car, Inc. (dba AutoNation Honda Roseville, AutoNation Honda Roseville Pre-Owned, and AutoNation Collision Center Sacramento); Auto Company XIX, Inc., dba Porsche Irvine; Auto Company XXII, Inc. (dba Mercedes-Benz of San Jose and Smart Center San Jose); Auto Company XXIII, Inc. (dba AutoNation Chrysler Dodge Jeep Ram Valencia); Auto Mission Ltd., dba AutoNation Toyota Hayward; Auto West, Inc., dba AutoWest Chrysler Jeep Dodge Fremont; Bargain Rent-A-Car (dba Lexus of Cerritos and Lexus Collision Center Cerritos); Beach City Chevrolet Company, Inc.; Buena Park Luxury Imports, Inc., dba BMW Buena Park; Carwell, LLC (dba Mercedes-Benz of South Bay, Jaguar Land Rover South Bay, and AutoNation Collision Center South Bay); Costa Mesa Cars, Inc. (dba AutoNation Honda Costa Mesa and AutoNation Collision Center Costa Mesa); Edgren Motor Company, Inc., dba AutoNation Honda Fremont; Fit Kit, Inc., dba AutoNation Toyota Buena Park; House of Imports, Inc. (dba House of Imports and AutoNation Collision Center Buena Park); Irvine Imports, Inc., dba AutoNation Toyota Irvine); Joe MacPherson Ford, dba AutoNation Ford Tustin; Joe MacPherson Infiniti, dba AutoNation Infiniti Tustin; Magic Acquisition Corp., dba AutoNation Ford Valencia; Mr. Wheels, Inc., dba AutoNation Toyota Cerritos; Newport Beach Cars, LLC, (dba Newport Auto Center, Porsche Newport Beach, and Bentley Newport Beach); Peyton Cramer Automotive (dba AutoNation Acura South Bay); Peyton Cramer Ford, dba AutoNation Ford Torrance); Peyton Cramer Infiniti; Peyton Cramer Jaguar; Prime Auto Cosmetics, Inc., dba AutoNation Reconditioning Services; Prime Auto Resources, Inc. (dba AutoNation Auto Auction, AutoNation Auto Auction Orlando, AutoNation Auto Auction Houston, and AutoNation Auto Auction Atlanta); Roseville Motor Corporation, dba AutoNation Chrysler Dodge Jeep Ram Roseville; Shamrock Ford, Inc., dba Ford of Dublin; Stevens Creek Luxury Imports, Inc. (dba AutoNation Maserati Stevens Creek and AutoNation Alfa Romeo Stevens Creek); Stevens Creek Motors, Inc., dba AutoNation Acura Stevens Creek; Valencia B. Imports, Inc. dba Valencia BMW; Valencia Dodge; Vanderbeek Motors, Inc. (dba AutoNation Subaru Roseville, BMW of Roseville, AutoNation Mazda Roseville, and AutoNation Collision Center Roseville); Vanderbeek Olds/GMC Truck, Inc.; Vince Wiese Chevrolet, Inc. dba AutoNation Chevrolet Valencia; VistaCal Luxury Imports, Inc., dba BMW of Vista; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Roseville; AN Collision Center Roseville; AN Collision Center Fremont; Prime Auto Resources, Inc. dba AN Auto Action Los Angeles; Prime Auto Cosmetics, Inc. dba AN Reconditioning Services Gardenia; AN Collision Center South Bay; LA Collision Center Long Beach; and AN Collision Center Costa Mesa (collectively “Defendants”), and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”). The Action was brought by Plaintiffs Rosalie Wayman, Riham Megally, and Sultan Ahmad (“Plaintiffs”) on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Questions? Call toll-free () -

In the lawsuit, Plaintiffs claimed that Defendants violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide meal or rest breaks, failing to provide one day's rest in seven days worked, failing to reimburse necessary business expenses, failing to timely pay final wages, failing to maintain accurate records, failing to provide employees' records, making unlawful deductions from employees' earned wages, withholding employees' wage, in part or in whole, failing to provide employees with written notice inclusive of all information required by Labor Code section 2810.5, failing to accurately calculate employees' sick pay hours, failing to pay employees' earned vacation wages upon separation of employment, and failing to provide employees with itemized wage statements. Defendants vehemently disputes all of Plaintiffs' allegations and denies that it engaged in any of the alleged misconduct. The Parties have reached a settlement of Plaintiffs' representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Defendants who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Defendants do not admit that they are liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and have denied and disputed all of Plaintiffs' contentions. The Court has not decided the merits of Plaintiffs' claims or Defendants' defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Defendants, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the PAGA, that were alleged in the Action or that could have been alleged based on the facts alleged in the Action. The PAGA Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code §§ 201-204, 226, 226.2, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804, and claims for attorneys' fees, costs, or interest resulting therefrom, during the time period of November 15, 2019 through June 30, 2022 (the "PAGA Period").

If you have any questions, you can contact [REDACTED], the Settlement Administrator, at 1-[REDACTED]-[REDACTED].

EXHIBIT 6

Haines Law Group, APC

Expense Summary

Rosalie Wayman, et al. v. Terry York Motors Cars, LTD.

EXPENSE	AMOUNT
Mediation Costs	\$13,000.00
Filing, Service, and Messenger Fees	\$1,574.46
Copying and Postage Costs	\$151.00
Westlaw Charges	\$34.76
TOTAL:	\$14,760.22

EXHIBIT 7

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* "Years Out of Law School" is calculated from June 1 of each year, when most law students graduate. "1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). "4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier "1-3" from June 1, 1996 until May 31, 1999, would move into tier "4-7" on June 1, 1999, and tier "8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.