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Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES—SPRING STREET COURTHOUSE

CHRISTIAN WIRTH, BRANDON TREIBER
GIANCARLO MONROY, individually, and on
behalf of other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act;

Plaintiffs,

vs.

MB2 RACEWAY, INC., a California
corporation; MB2 RACEWAY T.O., INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. 20STCV22600

Honorable Elihu M. Berle
Department 6

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: May 24, 2024
Time: 10:00 a.m.
Department: 6

Complaint Filed: June 11, 2020
FAC Filed: January 13, 2021
Trial Date: None Set

1 This matter has come before the Honorable Elihu M. Berle in Department 6 of the
2 Superior Court of the State of California, for the County of Los Angeles, on May 24, 2024 at
3 10:00 a.m. for Plaintiffs Christian Wirth, Brandon Treiber and Giancarlo Monroy's
4 ("Plaintiffs") Motion for Preliminary Approval of Class Action Settlement ("Motion"). Lawyers
5 for Justice, PC appear as counsel for Plaintiffs, individually and on behalf of all others similarly
6 situated and Callahan Thompson Sherman & Caudill, LLP appears as counsel for Defendants
7 MB2 Raceway, Inc. and MB2 Raceway, T.O., Inc. ("Defendants").

8 The Court, having carefully considered the papers, argument of counsel, and all matters
9 presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs' Motion for
10 Preliminary Approval of Class Action Settlement.

11 **IT IS HEREBY ORDERED THAT:**

12 1. The Court preliminarily approved the Stipulation of Class Action Settlement
13 ("Settlement," "Agreement," or "Settlement Agreement") attached as "**EXHIBIT 1**" to the
14 Declaration of Ryan Slinger in Support of Plaintiffs' Motion for Preliminary Approval of Class
15 Action and PAGA Settlement. This is based on the Court's determination that the Settlement
16 falls within the range of possible approval as fair, adequate, and reasonable.

17 2. This Order incorporates by reference the definitions in the Settlement Agreement,
18 and all terms defined therein shall have the same meaning in this Order as set forth in the
19 Settlement Agreement.

20 3. It appears to the Court on a preliminary basis that the Settlement is fair, adequate,
21 and reasonable. It appears to the Court that extensive and costly investigation and research have
22 been conducted such that counsel for the parties, at this time, are able to reasonably evaluate
23 their respective positions. It further appears to the Court that the Settlement, at this time, will
24 avoid substantial additional costs by all parties, as well as avoid the delay and risks that would
25 be presented by the further prosecution of the cases. It further appears that the Settlement has
26 been reached as the result of intensive, serious, and non-collusive arms-length negotiations, and
27 was entered into in good faith.

1 4. The Court preliminarily finds that the Settlement, which provides for a Total
2 Settlement Amount of Two Hundred Fifty Thousand Dollars and Zero Cents (\$250,000.00),
3 including the allocations for Settlement Administration Costs, Attorneys' Fees and Costs,
4 Enhancement Awards, and PAGA Penalty Amount, appears to be within the range of
5 reasonableness of a settlement that could ultimately be given final approval by this Court.
6 Indeed, the Court has reviewed the monetary recovery that is being granted as part of the
7 Settlement and preliminarily finds that the contemplated monetary settlement payments to Class
8 Members and Aggrieved Employees are fair, adequate, and reasonable when balanced against
9 the probable outcome of further litigation relating to certification, manageability, liability, and
10 damages issues.

11 5. The Court concludes that, for settlement purposes only, the proposed Class meets
12 the requirements for certification under section 382 of the California Code of Civil Procedure
13 in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class
14 is impracticable; (b) common questions of law and fact predominate, and there is a well-defined
15 community of interest amongst the members of the Class with respect to the subject matter of
16 the litigation; (c) Plaintiffs' claims are typical of the claims of the members of the Class; (d)
17 Plaintiffs will fairly and adequately protect the interests of the members of the Class; (e) a class
18 action is superior to other available methods for the efficient adjudication of the controversy;
19 and (f) Class Counsel is qualified to act as counsel for Plaintiffs in their individual capacity and
20 as the representatives of the Class.

21 6. For settlement purposes only, the Court hereby conditionally certifies the
22 following Class:

23 All current or former hourly-paid or non-exempt employees of Defendants in
24 California employed at either the Thousand Oaks or Sylmar locations during the
Class Release Period ("Class" or "Class Members").

25 7. The Court provisionally appoints Plaintiffs Christian Wirth, Brandon Treiber &
26 Giancarlo Monroy as the representatives for the Class.

27 8. The Court hereby appoints Arby Aiwarzian, Joanna Ghosh, and Ryan Slinger of
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1 Lawyers for Justice, PC (“Class Counsel”) as counsel for the Class.

2 9. The Court hereby appoints Phoenix Class Action Administration Solutions
3 (“Settlement Administrator”) as the Settlement Administrator to administer the Settlement
4 pursuant to the terms of the Settlement Agreement.

5 10. Within twenty-one (21) calendar days of the date of this Order, Defendants shall
6 provide the Settlement Administrator with the following information about each Class Member:
7 last-known full name, mailing address, telephone number, Social Security Number, weeks
8 worked as a non-exempt employee of Defendants in California employed at either the Thousand
9 Oaks or Sylmar locations during the Class Release Period (“Class List”), in conformity with the
10 Settlement Agreement.

11 11. The Court hereby approves, as to form and content, the Notice of Class Action
12 Settlement (“Class Notice”) attached hereto as “**EXHIBIT A**,” respectively, for distribution to
13 the Class Members. The Class Notice shall be provided to Class Members in the manner set
14 forth in the Settlement Agreement. The Court finds that the Class Notice appears to fully and
15 accurately inform the Class Members and Aggrieved Employees of all material elements of the
16 Settlement, of Class Members’ right to be excluded from the Class Settlement by submitting a
17 Request for Exclusion, of Class Members’ right to challenge the Workweeks credited to each of
18 them, and of each Settlement Class Member’s right and opportunity to object to the Settlement
19 by submitting an Objection to the Settlement Administrator. The Court further finds that
20 distribution of the Class Notice substantially in the manner and form set forth in the Settlement
21 Agreement and this Order, and that all other dates set forth in the Settlement Agreement and this
22 Order, meet the requirements of due process and shall constitute due and sufficient notice to all
23 persons entitled thereto. The Court further orders the Settlement Administrator to mail the Class
24 Notice by First-Class U.S. mail to all Class Members within fourteen (14) calendar days of
25 receipt of the Class Data and List, pursuant to the terms set forth in the Settlement Agreement.

26 12. The Court preliminarily approves the proposed procedure, set forth in the
27 Settlement Agreement, for requesting exclusion from the Class Settlement. A Class Member
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1 who wishes to request exclusion from or opt out of the Class Settlement must do so by
2 submitting a written letter (“Request for Exclusion”) to the Settlement Administrator, by mail,
3 postmarked on or before the date that is forty-five (45) calendar days from the initial mailing of
4 the Class Notice (“Response Deadline”). Any such person who timely and validly chooses to
5 opt out of, and be excluded from, the Class Settlement will not be entitled to any recovery under
6 the Class Settlement and will not be bound by the Class Settlement or have any right to object,
7 appeal, or comment thereon. Nevertheless, all current and former hourly-paid or non-exempt
8 employees of Defendants in California employed during the PAGA Release Period (“Aggrieved
9 Employees”) will be bound by the PAGA Settlement and will be issued their Individual PAGA
10 Payment, irrespective of whether they submit a Request for Exclusion. Class Members who do
11 not submit a valid and timely Request for Exclusion (i.e., Settlement Class Member) shall be
12 bound by the Settlement Agreement and any final judgment based thereon.

13 13. A Final Approval Hearing is set before the Honorable Elihu M. Berle in
14 Department 6 of the Superior Court of the State of California for the county of Los Angeles
15 located at 312 N. Spring Street, Los Angeles, California, 90012, on
16 _____ at _____ a.m./p.m., to determine all necessary
17 matters concerning the Settlement, including: whether the Settlement of the Action on the terms
18 and conditions provided for in the Settlement is fair, adequate, and reasonable, and should be
19 finally approved by the Court; whether a judgment, as provided in the Settlement, should be
20 entered herein; whether the plan of allocation contained in the Settlement should be approved
21 as fair, adequate, and reasonable to the Class Members; and to finally approve the requests and
22 allocations for the Settlement Administration Costs, Attorneys’ Fees and Costs, Enhancement
23 Awards and PAGA Penalty Amount.

24 14. Class Counsel shall file a motion for final approval of the Settlement and for
25 Settlement Administration Costs, Attorneys’ Fees and Costs, Enhancement Payments and
26 PAGA Penalty Amount, along with the appropriate declarations and supporting evidence,
27 including the Settlement Administrator’s declaration, by _____,
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1 to be heard at the Final Approval Hearing.

2 15. To object to the Class Settlement, a Class Member may submit his or her objection
3 in writing to the Settlement Administrator on or before the Response Deadline (“Objection”).
4 The written Objection must be signed and must contain the information that is required, as set
5 forth in the Class Notice, including and not limited to the grounds for the objection. Settlement
6 Class Members may also present their objection orally at the Final Approval Hearing, regardless
7 of whether they have submitted a written Objection.

8 16. The Settlement is not a concession or admission, and shall not be used against
9 Defendants as an admission or indication with respect to any claim of any fault or omission by
10 Defendants. Whether or not the Settlement is finally approved, neither the Settlement, nor any
11 document, statement, proceeding or conduct related to the Settlement, nor any reports or
12 accounts thereof, shall in any event be construed as, offered or admitted into evidence as,
13 received as or deemed to be in evidence for any purpose adverse to the Defendants, including,
14 but not limited to, evidence of a presumption, concession, indication or admission by Defendants
15 of any liability, fault, wrongdoing, omission, concession, or damage, except for legal
16 proceedings concerning the implementation, interpretation, or enforcement of the Settlement.

17 17. In the event the Settlement does not become effective in accordance with the terms
18 of the Settlement Agreement, or the Settlement is not finally approved, or is terminated,
19 cancelled or fails to become effective for any reason, this Order shall be rendered null and void,
20 shall be vacated, and the Parties shall revert back to their respective positions as of before
21 entering into the Settlement Agreement.

22 18. The Court reserves the right to adjourn or continue the date of the Final Approval
23 Hearing and all dates provided for in the Settlement Agreement without further notice to Class
24 Members and retains jurisdiction to consider all further applications arising out of or connected
25 with the Settlement.
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IT IS SO ORDERED.

DATE: _____

Honorable Elihu M. Berle
Judge of the Superior Court of California

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the below-referenced cases.

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

This Notice is designed to advise you of your rights and options with respect to the settlement.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Christian Wirth, Brandon Treiber, and Giancarlo Monroy ("Plaintiffs") and Defendants MB2 Raceway, Inc. and MB2 Raceway T.O. Inc. ("Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled: *Wirth, et al. v. MB2 Raceway, Inc.*, Superior Court of California for the County of Los Angeles, Case No. 20STCV22600, which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Aggrieved Employees" means all current and former hourly-paid or non-exempt employees of Defendants in California employed during the PAGA Release Period.

"Class" means all current and former hourly-paid and non-exempt employees of Defendants in California employed at either the Thousand Oaks or Sylmar locations during the Class Release Period.

"Class Member" means a member of the Class.

"Class Release Period" is the time period from June 11, 2016 through October 22, 2023.

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

"PAGA Release Period" means the time period from April 2, 2019 through October 22, 2023.

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

II. BACKGROUND OF THE LAWSUIT

On April 2, 2020, Plaintiff Wirth provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiff contends were violated ("Wirth PAGA Notice"). On June 11, 2020, Plaintiffs Wirth and Treiber commenced a putative class action lawsuit by filing a Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq., in the Los Angeles County Superior Court, Case No. 20STCV22600 ("Action") against MB2 Raceway, Inc. On May 8, 2020, Plaintiff Treiber provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiff contends were violated ("Treiber PAGA Notice"). On June 12, 2020, Plaintiff Monroy provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiff contends were violated ("Wirth PAGA Notice").

On January 13, 2021, Plaintiffs filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq.

Plaintiffs allege that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses,

and thereby engaged in unfair business practices in violation of California Business & Professions Code Section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code Sections 2698, *et seq.* (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants have denied and continues to deny all the allegations in the Action or that it violated any law and contends that at all times it has complied with the law.

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

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has preliminarily appointed Phoenix Class Action Administration Solutions as the administrator of the Settlement (“Settlement Administrator”) and Plaintiffs as the representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Arby Aiwarzian
Joanna Ghosh
Ryan Slinger
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

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

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, the State of California, or Aggrieved Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members, the State of California, and Aggrieved Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The Total Settlement Amount is \$250,000.00. The portion of the Total Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Total Settlement Amount less the following payments: (1) attorneys’ fees, in an amount not to exceed 35% of the Total Settlement Amount (i.e., \$87,500.00 if the Total Settlement Amount remains \$250,000.00) and reimbursement of actual costs and expenses associated with Class Counsel’s litigation and settlement of the Action, in an amount up to Thirty-Five Thousand Dollars (\$35,000.00) (collectively, “Attorneys’ Fees and Costs”) to Class Counsel; (2) Enhancement Awards in an amount not to exceed Five Thousand Dollars (\$5,000.00) to each Plaintiffs for their services in the Action; (3) the amount of Twenty-Five Thousand Dollars (\$25,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Penalty Amount”), of which the LWDA will be paid 75% (i.e., \$18,750.00) (“LWDA Payment”) and the remaining 25% (i.e., \$6,250.00) will be distributed to Aggrieved Employees (“Aggrieved Employee Amount”); (4) Settlement Administration Costs in an amount not to exceed Nine Thousand Dollars (\$9,000.00) to the Settlement Administrator.

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

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

Each Individual Settlement Share will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Total Settlement Amount.

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the Aggrieved Employee Amount (“Individual PAGA Payment”) based on the number of Workweeks each Aggrieved Employee was employed by Defendants as an hourly paid or non-exempt employee in California during the PAGA Release Period. The Settlement Administrator has divided the 25% of the PAGA Penalty Amount by the total number of Workweeks of all Aggrieved Employees during the PAGA Release Period to yield the “PAGA Workweek Value,” and multiplied each Aggrieved Employee’s individual Workweeks during the PAGA Release Period by the PAGA Workweek Value to yield his or her Individual PAGA Payment (which is listed in Section III.C below). Aggrieved Employees shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement.

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

If the Court grants final approval of the Settlement, following the Effective Date (as defined in the Settlement), Defendant will fund the Total Settlement Amount as follows:

- After Preliminary Approval, and prior to the mailing of the Class Notice, the Settlement Administrator will provide the Parties with an accounting estimate of the contemplated amounts to be paid by the Defendant and establish a qualified settlement account for administration of the Settlement.
- Within ten (10) calendar days after the Court grants Preliminary Approval, Defendants will make a deposit of One Hundred Twenty-Five Thousand Dollars (\$125,000.00), into the qualified settlement account established by the Settlement Administrator (“First Installment”).
- Within ten (10) calendar days after the Court grants Final Approval, Defendants will make a deposit of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) plus an amount sufficient for Employer’s Taxes, into the qualified settlement account established by the Settlement Administrator (“Second Installment”).
- Within seven (7) calendar days of the funding of the Effective Date (and the settlement being fully funded), the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to Aggrieved Employees; (c) LWDA Payment to the LWDA; (d) Enhancement Awards to Plaintiffs; (e) Attorneys’ Fees and Costs to Class Counsel; (f) Settlement Administration Costs to itself.

The timing of these distributions will depend on the date of Final Approval of the Settlement and the dates on which Defendants fund the Total Settlement Amount.

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

B. Your Workweeks Based on Defendants' Records

The Workweeks of each Class Member and Aggrieved Employee were calculated based on Defendants' records. According to Defendants' records,

- **From July 11, 2016 through October 22, 2023 (i.e., the Class Release Period), you are credited as having worked [REDACTED] Workweeks.**
- **Between April 2, 2019 through October 22, 2023 (i.e., the PAGA Release Period), you are credited as having worked [REDACTED] Workweeks.**

If you wish to dispute the Workweeks credited to you, you may submit your dispute by way of written letter that is sent to the Settlement Administrator, which must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class Member disputes of the number of Workweeks credited to him or her and what he or she contends is the correct number to be credited to him or her; (d) attach any documentation that he or she has to support the dispute; (e) be submitted by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and/or Individual PAGA Payment

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

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

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

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

D. Release of Claims

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Settlement Class Members (i.e., Class Members who do not submit a timely and valid Request for Exclusion) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims whether known or unknown.

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and the State of California will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims pertaining to Plaintiff and the Aggrieved Employees, whether known or unknown.

"Released Class Claims" means all causes of action and factual or legal theories that were alleged in the Operative Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Action, for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226(h), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001, and 10-2001, Business & Professions Code section 17200 et seq., including all of the following claims for relief: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages

timely at the time of termination; (g) failure to provide complete accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; (i) failure to reimburse business expenses; (j) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action, or legal theories of relief pleaded in the Operative Complaint; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action or legal theories of relief.

“Released PAGA Claims” means all causes of action and factual or legal theories for civil penalties under the California Labor Code Private Attorneys General Act of 2004 against any of the Released Parties that were alleged in the Action or reasonably could have been alleged based on the facts and legal theories contained in the PAGA Notices and Action for violations of the California Labor Code, including inter alia sections 201, 202, 203, 204, 226(a), 226.7, 510, 512 (a), 1174 (d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders, including inter alia, Wage Orders 4-2001 and 10-2001, including all of the following: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; and (i) failure to reimburse business expenses.

“Released Parties” means MB2 Raceway, inc. and MB2 Raceway T.O., Inc., and each of their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will request and Defendants will not oppose attorneys’ fees in an amount of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., up to \$87,500.00 if the Total Settlement Amount remains \$250,000.00) and reimbursement of actual litigation costs and expenses in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Total Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Awards to Plaintiffs

Plaintiffs will seek the amounts of up to Five Thousand Dollars (\$5,000.00) (“Enhancement Awards”), in recognition of his services in connection with the Action. The Enhancement Awards will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their individual settlement payments that they are entitled to under the Settlement.

G. Settlement Administration Costs to the Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Nine Thousand Dollars (\$9,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Workweeks Dispute, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Total Settlement Amount, subject to approval by the Court.

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

A. Participate in the Settlement

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

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

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

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

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter indicating a request to be excluded from the Class Settlement ("Request for Exclusion") to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address below, postmarked **on or before [Response Deadline]**.

Phoenix Class Action Settlement Solutions
P.O. Box 7208
Orange, California 92863

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

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion from the Class Settlement, by submitting a written objection ("Objection") to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

An Objection must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs

to Class Counsel, Enhancement Awards to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval hearing may be continued without further notice to Class Members and Aggrieved Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear by audio or video if you wish to.

VI. ADDITIONAL INFORMATION

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

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the civil clerk's office, office during business hours (you must make an appointment prior to visiting the civil clerk's office), located at the Stanley Mosk Courthouse, 111 North Hill Street, California, 90012, or by online by visiting the following website: <https://www.lacourt.org/casesummary/ui>.

Please note, due to COVID-19, there are limitations on personal appearances and telephonic appearances are an option. You can find information regarding the Court's most current COVID-19 guidelines online at: <https://www.lacourt.org/>. You can find information regarding appearing remotely through LA CourtConnect online at: <http://www.lacourt.org/laceligibility/ui/civil.aspx?casetype=ci>. Please note that there may be deadlines to reserve a remote appearance and reservation fees or charges may apply.

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

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT].