MESSRELIAN LAW INC.
Harout Messrelian, Esq. (SBN 272020)
hm@messrelianlaw.com
101 N. Brand Blvd., Suite 1450
Glendale, California 91203
Telephone: (818) 484-6531
Facsimile: (818) 956-1983

Attorney for Plaintiff,
DANIEL ESTRADA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT

(UNLIMITED JURISDICTION)

DANIEL ESTRADA, Plaintiff, vs. ALLEN GWYNN CHEVROLET, INC.; JAMES V. BACON SR.; and DOES 1 to 25, inclusive, Defendants.	Case No.: 21STCV11667 *[Assigned for all purposes to Honorable Virginia Keeny,]* **DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF UNOPPOSED APPROVAL OF PAGA SETTLEMENT** [Filed Concurrently with Notice of Motion, Memorandum of Points and Authorities, Declaration of Daniel Estrada, and Proposed Order] Hearing Date: 7/27/26 Time: 8:30am Department: 529 Res. ID: 893226014973 Complaint Filed: March 25, 2021

DECLARATION OF HAROUT MESSRELIAN

I, Harout Messrelian, declare as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for Plaintiff DANIEL ESTRADA ("Plaintiff") in his lawsuit against ALLEN GWYNN CHEVROLET, INC. and JAMES V. BACON SR. (hereinafter collectively "ALLEN GWYNN" or "Defendants").

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 350 civil actions and/or claims involving representative actions under the Private Attorneys General Act ("PAGA") and/or wage and hour claims on behalf of my clients and have been appointed Class Counsel in three class action cases –*Zohrab Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court Case No. 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT), *Carina Camberos, on behalf of herself and others similarly situated, v. Great American Chicken Corp, Inc.*, Los Angeles Superior Court Case No. 21STCV32015, and *Robert Garcia, on behalf of himself and others similarly situated v. HD Supply Management Inc.*, San Bernardino Superior Court Case No. CIVSB2028067. I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

3. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

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Factual and Procedural Background

4. Defendants are in the automobile dealership business and sell, lease, and service motor vehicles in Los Angeles County, California. Plaintiff was classified as a non-exempt, hourly employee and worked for Defendants as an Internet Manager, earning an hourly wage plus commissions, for approximately thirteen to fourteen years during and through the PAGA Period.

5. Plaintiff complied with the procedures of Labor Code section 2699.3 for bringing suit under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, et seq. ("PAGA"). On January 12, 2021, Plaintiff on behalf of himself and Defendants' California non-exempt employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendants of their claims against Defendants. In his notice to the LWDA, Plaintiff asserted on behalf of himself and the Aggrieved Employees that Defendants (1) failed to provide and maintain required tools and equipment or compensate affected employees at no less than twice the minimum wage (IWC Wage Order No. 4/7, section 9(B)); (2) failed to compensate for all hours worked and to pay minimum wages (Labor Code sections 1194, 1197, 1197.1); (3) failed to pay for rest and recovery periods and other non-productive time (Labor Code section 226.2); (4) failed to pay overtime compensation, including at the proper regular rate of pay (Labor Code section 510); (5) failed to provide meal breaks (Labor Code sections 512, 226.7); (6) failed to provide rest breaks (Labor Code section 226.7); (7) failed to timely pay wages due during employment (Labor Code section 204); (8) failed to provide accurate itemized wage statements (Labor Code section 226); (9) failed to keep accurate and complete payroll records (Labor Code sections 1174, 1174.5); (10) failed to pay all wages due at the end of employment (Labor Code section 203); and (11) failed to reimburse necessary business expenses (Labor Code sections 2800, 2802); Plaintiff further sought derivative civil penalties under Labor Code sections 558, 226.3, and 1197.1. Plaintiff filed his initial lawsuit on March 25, 2021, in the Superior Court for the State of California, County of Los Angeles, Case No. 21STCV11667, with one cause of

action for PAGA penalties based on the theories as outlined in the PAGA letter.

6. Through informal discovery, Defendants produced records and represented that they employed approximately 197 employees falling within Plaintiff's Aggrieved Employees definition for the period from January 20, 2020 through October 28, 2025, and that there are paychecks issued for a total of approximately 8,091 pay periods worked for that same time period.

7. The Settlement Agreement covers PAGA Members, which are Aggrieved Employees employed on or after January 20, 2020, through October 28, 2025.

8. Defendants deny any liability or wrongdoing of any kind whatsoever associated with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully, finally, and forever compromise, and discharge all claims known or unknown related to those alleged in Plaintiff's lawsuit.

9. The parties attended a full-day mediation with experienced mediator J.J. Johnston on March 25, 2026, and settled the matter. Before agreeing to the terms of the Settlement, the Parties engaged in informal discovery regarding Defendants' policies, practices, operations, time and payroll information and other topics. Prior to negotiation, Defendants produced Plaintiff's personnel file, time and payroll data for Plaintiff, and time records and payroll records for a sample of all 197 aggrieved employees falling within Plaintiff's Aggrieved Employees definition and during the applicable PAGA period. Through extensive arm's length negotiations and only after discovery and investigation were performed, the Parties agreed to settlement terms. Attached as **Exhibit 1** is a true and accurate copy of "PAGA Settlement Agreement" (hereinafter "Settlement Agreement") along with the notice that will be sent, with payment, to the PAGA Members covered by the Settlement Agreement. As alluded to above, the Parties negotiated the PAGA claims through arms-length negotiation during a private mediation, and only after sufficient discovery was completed, including data being sent to Plaintiff's data expert for analysis/review.

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10. The Parties conducted investigation of the facts and law both before and after the lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations claimed by Plaintiff. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the Settlement for the consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are in the best interests of Plaintiff, the PAGA Members, and Defendants in light of all known facts and circumstances and the risks inherent in litigation, especially in this post-pandemic era when most California businesses are still struggling to remain afloat, much less prosper and make a large profit.

11. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits, especially in light of the post-pandemic era and the business climate.

12. Plaintiff alleges that the strongest claims are that Plaintiff and other PAGA Members were not provided meal breaks under the law and that Defendant failed to properly calculate the regular rate of pay by not including commission payments in the regular rate for overtime purposes for a portion of the PAGA period.

13. Plaintiff contends that the civil penalty statutes applicable to the Action arise from violations of the California Labor Code, including, but not limited to, Labor Code sections 226.7, 510, 512, 558, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a Labor Code violation may be awarded a sum of money for each pay period in which he or she was underpaid. However, under Labor Code section 2699(e)(2), the Court can reduce an award of civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

14. As it relates to Plaintiff's argument for meal break violations, Plaintiff's data analysis revealed a shift violation rate of 8.7% for short, late, or no meal breaks for shifts that were 5 hours or greater. The data revealed that 92.8% of pay periods in the sample included

shifts that were 5 hours or greater. As such, we are dealing with alleged violations covering 7,508 pay periods [8,091 total pay periods x 92.8%]. If you extrapolate the 8.7% shift violation rate, it amounts to 34.6% of pay periods having at least one meal period violation. As such, the maximum exposure for meal period violations in the PAGA period, which Plaintiff understands Defendants dispute, would be $129,900, which is calculated as follows: 7,508 pay periods x 34.6% equals 2,598 affected pay periods; 2,598 pay periods x $50/pay period (civil penalty) amounts to $129,900 in exposure. Plaintiff further discounts this claim by approximately 25% due to the individualized nature of the meal-period inquiry and the risks associated with manageability, which reduces the realistic exposure on this theory to approximately **$97,425**. The data analysis also reflected that meal period premiums were in fact paid in the sample, which Defendants would rely upon to dispute the claim. Defendants contend that, to establish a violation for missed meal periods, a plaintiff must do more than show that a meal break was not taken. Determining by a review of Defendants' time records the exact reasons why a meal period appears to be short or late or not taken would be difficult and would be a challenge as Plaintiff would have issues with manageability.

15. As it relates to Plaintiff's argument that Defendants failed to properly calculate the regular rate of pay, Plaintiff's expert data analyst found that 29.7% of the pay periods reflected a commission payment in the same pay period in which overtime was worked, such that the overtime was not paid at the correct regular rate of pay inclusive of the commission earnings. 29.7% of the pay periods equates to 2,403 pay periods [8,091 pay periods x 29.7%]. As such, the maximum exposure for the regular rate violations in the PAGA period would be $240,300, which is calculated as follows: 2,403 pay periods x $100/pay period (civil penalty) amounts to **$240,300** in exposure. As such, the maximum exposure for meal period and regular-rate violations in the PAGA period, which Plaintiff understands Defendants dispute, would be **$337,725**.

16. As it relates to Plaintiff's other claims, there would be substantial issues with proof. As it relates to minimum wage and rounding issues, the data showed that there was no rounding because Defendants paid hours worked to the second decimal point, undermining any

minimum wage theory premised on rounding. As it relates to straight overtime issues, the data showed that overtime hours were paid correctly when employees did in fact work overtime, and the average number of hours worked was only 7.8 hours, which does not trigger daily overtime. As it relates to rest break violations, there are likewise risks and problems with proof, as there was no evidence on paper of any rest period violations since rest periods were not tracked by Defendants' timekeeping system – nor does the law require that rest periods be tracked – as is common for most businesses in California.

17. As it relates to Plaintiff's claim of business expense reimbursement, Defendants argued that employees, including Plaintiff, did not need to use their personal cell phones for work purposes because it was not required, and that to the extent any employee chose to use a personal cell phone, it was a matter of personal preference. Defendants further argued that all tools necessary to perform job duties were provided by the employer, particularly as to the technicians, and that to the extent employees elected to bring their own tools out of comfort or preference, that was their own individual choice for which no reimbursement is owed. Plaintiff's remaining claims are derivative claims for violations of Labor Code sections 203, 204, and 1174, which are not triggered by the meal period violations.

18. Based on the above calculations, Plaintiff's aggregate maximum exposure for the strongest disputed claims, which again Plaintiff understands Defendants dispute, would be **$337,725**. Assuming that Plaintiff's calculations and analysis are accurate, the maximum exposure presumes that the Court will not reduce the penalty award as unjust, arbitrary, oppressive, or confiscatory. Based on the above analysis, a gross settlement in the amount of $210,000 is a very strong result, especially in light of the risk factors as discussed above.

19. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff multiple PAGA penalties for the same violation for the same pay period under different Labor Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack" civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded extremely small sums to PAGA claimants in the past. Defendants also adamantly dispute all of Plaintiff's allegations in the operative Complaint.

20. PAGA states a court has discretion to award a lesser amount than the maximum penalty. *See* Lab. Code § 2699(e)(2) ("…a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."); *see also Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1135 (2012) (reducing PAGA award). There is a substantial risk that the Court could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of willful and intentional conduct. In *Carrington v. Starbucks*, the Court of Appeal affirmed a trial court's heavily discounted award of only $5 per violation because it was within the Court's discretion to significantly reduce PAGA penalties even when there is a finding that a violation of the California Labor Code occurred. *Carrington v. Starbucks*, 30 Cal. App. 5th 504 (2018). The plaintiff in *Carrington* had requested penalties in excess of $70 million and was successful in proving the PAGA claim during a bench trial. However, the trial court reduced the total award after trial to only $150,000 (30,000 violations x $5) and stated that this reduction was warranted because imposing the maximum penalty would be "unjust, arbitrary, and oppressive", based on Starbucks's "good faith attempts" to comply with meal break obligations and because the Court found the violations were minimal. Applying the same formula here and assuming there was one violation during each pay period, the award of civil penalties could not exceed $40,455 in PAGA penalties (8,091 x $5). As such, this Settlement is a great result based solely on the risk the Court chooses to apply the *Carrington* formula. Defendants have also provided defenses to the Labor Code claims underlying Plaintiff's allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement Amount is uncertain.

21. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits to the PAGA Members and Plaintiff from continued litigation.

22. The settlement of the Action involves monetary relief to all PAGA Members, Plaintiff, his attorneys, and the State of California.

23. Furthermore, Plaintiff recognizes that continued litigation presents significant risks that support a significant downward departure from Plaintiff's estimated civil penalties amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable compromise amount for these claims and is in the best interest of Plaintiff and PAGA Members and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, 762 F.3d 902 (9th Cir. 2014). The PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to Plaintiff, the aggrieved employees, and the State, especially in light of the current economic climate, and are the product of good faith, and informed arms-length negotiations between the Parties consistent with public policy and fully comply with applicable provisions of law.

24. The Total Settlement Fund will be distributed under terms pursuant to a payment plan. As such, the settlement of PAGA penalties in the gross sum of $210,000, of which 75% of the net amount after attorney's fees [$70,000.00], attorney costs [$10,863.73], a Service Award to Plaintiff [$10,000.00], and settlement administrator fees [$3,500.00], which is $86,727.20 will be paid to the LWDA, and 25%, which equates to $28,909.07, will be distributed to the PAGA Members, is reasonable and appropriate under the circumstances. With a total of 197 Aggrieved Employees, the average estimated individual PAGA payment for each Aggrieved Employee is approximately $146.75 (25% of the estimated Net Settlement equating to $28,909.07 as noted above) / 197 Aggrieved Employees). This is a great result given the uncertainties of litigation.

Attorneys' Fees and Costs

25. I represent Plaintiff on a straight contingency basis. My firm's request for $70,000.00 in attorney fees and $10,863.73 in litigation costs is fair and reasonable. To date, I have investigated and prosecuted this matter vigorously, including drafting the initial PAGA notice as well as the original complaint; reviewing Defendants' informal data and document production; sending and receiving emails on the case with defense counsel; sending the PAGA data to Plaintiff's expert for review/analysis and reviewing the expert's findings/conclusions;

preparing for mediation, including providing material and arguments to the mediator; engaging in a private mediation; and drafting this PAGA approval motion. I also expect to perform additional work on this case if the Court grants final approval of the Settlement, including supervision of the Settlement Administrator's disbursement of the settlement funds to the Aggrieved Employees. "Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery. *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 47 fn. 11 (2008) (*quoting Shaw v. Toshiba America Information Systems, Inc.*, 91 F. Supp. 2d 942, 972 (E.D. Tex. 2000); *see also Lafitte v. Robert Half Int'l Inc.*, 1 Cal. 5th 480, 503 (Cal. Aug. 11, 2016) (holding that courts can use the percentage method for the calculation of attorneys' fees). This is also consistent with my experience in cases involving PAGA claims. This award is justified here because I achieved a strong result for the PAGA Members and the State while bearing the substantial burdens of contingency representation.

26. My previous experience in litigating wage and hour actions also supports the reasonableness of the fee request, as does the caliber of opposing counsel. My previous experience in similar matters was integral in evaluating the strengths and weaknesses of the case against Defendants and the reasonableness of the Settlement. Because it is reasonable to compensate me commensurate with my skill, reputation, and experience, attorney's fees of approximately 1/3 of the Gross Settlement Amount is reasonable. Likewise, the caliber and experience of opposing counsel in labor and employment litigation supports the fairness and reasonableness of the requested fee award.

27. The litigation costs expended to aid in the representation of the PAGA Members include the following: lawsuit/complaint filing fee of $454.22; PAGA initial filing fee of $75.00; service of lawsuit and other documents fee of $308.00; expert data analysis fee of $1,150.00; mediation fee of $8,750.00; Court appearance (virtual) fee of $15.00; and miscellaneous filing fees of $111.51 for a total of $10,863.73. All of these costs are documented and reasonably incurred.

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Settlement Administration Costs

28. With regard to the settlement administration costs provision, it is reasonable. Before agreeing to ILYM Group, Inc. ("ILYM"), the parties sought and reviewed bids from other reputable third-party administrators, including Phoenix Class Action Administrators and Apex Class Action Administration, and ILYM's bid was comparable. ILYM's bid has been attached as **Exhibit 2** to this declaration.

Notice of Settlement to the LWDA

29. Pursuant to Labor Code section 2699(l)(2), my firm submitted a copy of the Settlement with the LWDA at the same time the Settlement is being filed with the Court. True and correct copies of this submission with the LWDA and the confirmation email are collectively attached as **Exhibit 3** to this declaration. My firm will further provide a copy of the Court's Order and Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as required by Labor Code sections 2699(l)(2)-(3).

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on June 30, 2026 at Los Angeles, California.

Harout Messrelian,
Declarant

EXHIBIT 1

FREEMAN MATHIS & GARY, LLP
John K. Rubiner (SBN 155208)
JRubiner@fmglaw.com
550 South Hope Street, 22nd Floor
Los Angeles, California 90071
Tel.: (213) 615-7000
Fax: (833) 264-2083

Attorneys for Defendants
ALLEN GWYNN CHEVROLET, INC and
JAMES BACON SR.

MESSRELIAN LAW, INC.,
Harout Messrelian, Esq. (SBN 272020)
hm@messrelianlaw.com
101 N. Brand Blvd., Suite 1450
Glendale, California 91203
Tel.: (818) 484-6531
Fax: (818) 956-1983

Attorneys for Plaintiff
DANIEL ESTRADA

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DANIEL ESTRADA, Plaintiff, v. ALLEN GWYNN CHEVROLET, INC,; JAMES V. BACON, SR, and DOES 1 to 25, inclusive, Defendants.	Case No. 23STCV23645 Assigned to the Hon. Virginia Keeny Dept. 45 Unlimited Jurisdiction **PAGA SETTLEMENT AGREEMENT** Complaint Filed: March 25, 2021 Trial Date: None Set

TO THE COURT, ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

IT IS HEREBY STIPULATED, by and between Plaintiff Daniel Estrada ("Plaintiff"), individually and on behalf of all other allegedly aggrieved employees, on the one hand, and Defendant Allen Gwynn Chevrolet, Inc. ("Defendant"), on the other hand, and subject to the approval of the Court, that the Action, as defined below, is hereby compromised and settled pursuant to the terms and conditions set forth in this Settlement Agreement and Release of PAGA Claims ("Settlement Agreement") and that the Court shall enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Settlement Agreement.

DEFINITIONS

1. "Action" means the representative action entitled *Daniel Estrada v. Allen Gwynn Chevrolet, et al.*, Superior Court of California, County of Los Angeles, Case No. 21STCV11667.

2. "Administration Expenses" means the reasonable costs and fees of administering the Settlement to be paid from the Gross Settlement Amount, including, but not limited to: (i) printing, mailing, and re-mailing (if necessary) Settlement Packets to the Aggrieved Employees; (ii) preparing and submitting to Aggrieved Employees and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual PAGA Payments, Service Awards, Attorneys' Fees, Attorneys' Expenses, and the LWDA Payment; (iv) establishing a Qualified Settlement Fund ("QSF"), as defined by the Internal Revenue Code; and (vi) preparing and submitting filings required by law in connection with the payments required by the Settlement.

3. "Aggrieved Employees" means all individuals who are or previously were employed by Defendant in California and classified as a non-exempt employee at any time during the PAGA Period.

4. "Approval Hearing" means the hearing to be conducted by the Court after the filing of an appropriate motion by Plaintiff, at which time Plaintiff shall request that the Court approve the Settlement, enter the Judgment, and take other appropriate action.

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Los Angeles, California 90071

5. "Attorneys' Expenses" means the expenses and costs reasonably incurred in connection with this Action as documented in PAGA Counsel's billing statements.

6. "Attorneys' Fees" means reasonable attorneys' fees for PAGA Counsel's litigation and resolution of this Action not to exceed 1/3 of the Gross Settlement Amount, or Seventy Thousand Dollars and Zero Cents ($70,000.00).

7. "Defendant" means Allen Gwynn Chevrolet.

8. "Defense Counsel" means John K. Rubiner of Freeman Mathis & Gary, LLP.

9. "Effective Date" means the date upon which PAGA Counsel provides notice of the Court's Order granting final approval of the Settlement.

10. "Employee Information" means information regarding the Aggrieved Employees that Defendants shall in good faith compile from their records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator. Employee Information shall be transmitted in electronic form and shall include each Aggrieved Employee's full name; last known address; Social Security number; and total number of PAGA Pay Periods.

11. "Individual PAGA Payment" means the amount payable from the PAGA Fund to each Aggrieved Employee.

12. "Judgment" means the final order and judgment to be entered by the Court granting approval of the Settlement and this Settlement Agreement as binding upon the Parties and the Aggrieved Employees.

13. "LWDA" means the California Labor and Workforce Development Agency.

14. "LWDA Payment" means the portion of the PAGA Payment payable to the LWDA (75%).

15. "Gross Settlement Amount" means the maximum amount Defendant shall have to pay in connection with this Settlement, which shall be inclusive of all Individual PAGA Payments to the Aggrieved Employees, Service Awards, Attorneys' Fees, Attorneys' Expenses, Administration Expenses, and the LWDA Payment. Subject to Court approval and the terms of this Settlement Agreement, the maximum Gross Settlement Amount Defendants shall be required to pay is Two Hundred and Ten Thousand Dollars ($210,000.00).

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Los Angeles, California 90071

16. "Notice" means the Notice of Settlement, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Aggrieved Employee at their last known address explaining the terms of this Settlement Agreement and the Settlement.

17. "PAGA" means the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq*.

18. "PAGA Counsel" means Harout A. Messrelian, Messrelian Law, Inc.

19. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

20. "PAGA Payment" means the balance of the Gross Settlement Amount remaining after deduction of the Service Awards to Plaintiff, Attorneys' Fees, Attorneys' Expenses, and Administration Expenses. Seventy-five percent (75%) of this amount shall be paid to the LWDA as the LWDA Payment, and the remaining twenty-five percent (25%) shall be paid to the Aggrieved Employees as Individual PAGA Payments.

21. "PAGA Period" means the period of January 20, 2020, through October 28, 2025, subject to the Escalator Clause in Paragraph 43.

22. "Parties" means Plaintiff and Defendants.

23. "Plaintiff" means Plaintiff Daniel Estrada.

24. "Qualifying Pay Periods" means the total number of pay periods during which an Aggrieved Employee performed work for Defendants in California during the PAGA Period, based on Defendants' records, which shall be used to calculate Individual PAGA Payments.

25. "Released Claims" means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint (attached hereto as **<u>Exhibit A</u>**) and the PAGA Notices submitted by Plaintiff to the LWDA (attached hereto as **<u>Exhibit B</u>**), which occurred during the PAGA Period, and expressly excluding all other claims, including but not limited to claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and California class claims, and PAGA claims outside of the PAGA period.

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550 South Hope Street, 22nd Floor
Los Angeles, California 90071

26. "Released Parties" means Defendant and each of Defendants' past, present, and future parent companies, subsidiaries, divisions, joint ventures; and all of their respective predecessors, successors, and assigns; together with all past, present, and future officers, directors, members, managers, shareholders, owners, partners, agents, representatives, attorneys, insurers, benefit plans, administrators, and fiduciaries.

27. "Service Award" means the amount the Court authorizes to be paid to Plaintiff Daniel Estrada, in recognition of Plaintiff's effort and risk in prosecuting the Action, which is not to exceed $10,000.

28. "Settlement" means the final and complete disposition of the Action pursuant to this Settlement Agreement.

29. "Settlement Administrator" means ILYM Group, Inc.

30. "Settlement Packet" means the packet of documents that shall be mailed to all Aggrieved Employees by the Settlement Administrator, including the Notice and each Aggrieved Employee's respective Individual PAGA Payment.

31. "Alternative End Date" means the date that the PAGA Period will close if Defendants exercise their right to limit the PAGA Period pursuant to the Escalator Clause as described in Paragraph 43.

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550 South Hope Street, 22nd Floor
Los Angeles, California 90071

RECITALS

32. Pleading History. Plaintiff filed his initial Complaint for damages against Defendant and others, seeking relief alleging both personal causes of action and relief for similarly situated employees under PAGA, on March 25, 2021.

33. On December 27, 2021, Plaintiff filed a First Amended Complaint alleging one cause of action under PAGA for similarly aggrieved employees of AGC.

34. On April 13, 2023, Plaintiff submitted a Notice of Intent to Arbitrate Before Judicate West and served a Complaint for Damages seeking relief for personal causes of action and as an individual only under PAGA. The Parties agreed that Plaintiff's causes of action and claims, as an individual under PAGA, should be submitted to and determined in an arbitration proceeding. The parties stipulated that the Superior Court Action be stayed pending completion

of binding arbitration, or unless otherwise ordered by the Court. The Los Angeles County Superior Court signed the Stipulation on May 10, 2023.

35. After the case was submitted to arbitration, the parties settled Plaintiff's individual claims and individual PAGA claims at a mediation. The Parties agreed to lift the stay and return the Superior Court Action to active status.

36. Global Settlement Negotiations. On March 25, 2026, the Parties engaged in a mediation with Mediator J.J. Johnston. After engaging in an extensive document and information exchange, and arm's length negotiations during and post-mediation, the Parties reached a settlement.

37. Benefits of Settlement to Plaintiff and the Aggrieved Employees. Plaintiff and PAGA Counsel recognize the expense and effort of lengthy continued proceedings that would be necessary to litigate Plaintiff's claims in the Action through trial and through any possible appeals. Plaintiff has also evaluated the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and PAGA Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendant's defenses thereto. Based on the foregoing, Plaintiff and PAGA Counsel have determined the Settlement set forth in this Settlement Agreement is fair, adequate, and reasonable and provides genuine and meaningful relief consistent with the underlying purposes of PAGA.

38. Defendant's Reasons for Settlement. Defendant has concluded that any further defense of the Action would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have already been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also evaluated the risks of further litigation in reaching the decision to enter into this Settlement. Even though Defendant contends that it is not liable for any of the claims alleged by Plaintiff in the Action, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Settlement Agreement and to put to rest the claims alleged in this Action. Defendant has asserted and continue to assert that the claims alleged by Plaintiff have no merit

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550 South Hope Street, 22nd Floor
Los Angeles, California 90071

and do not give rise to liability. This Settlement Agreement is a compromise of disputed claims. Nothing contained in this Settlement Agreement, no documents referred to herein, and no action taken to carry out this Settlement Agreement, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant maintain that they have complied with all applicable state, federal, and local laws.

TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

39. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are 197 employees who worked a total 8,091 PAGA Pay Periods between January 20 , 2020 and October 28, 2025.

40. Binding Settlement. This Settlement shall bind the Parties, the LWDA, and all Aggrieved Employees, subject to the terms and conditions hereof and the Court's approval.

41. Gross Settlement Amount. Except as otherwise provided by Paragraph 43, Defendants promise to pay Two Hundred Ten Thousand Dollars ($210,000.00) as the Gross Settlement Amount to resolve the Released Claims. The Gross Settlement Amount shall be used to pay: (1) Individual PAGA Payments; (2) Attorney's Fees and Attorney's Expenses; (3) Service Awards; (4) Administration Expenses; and (5) payment to the LWDA. The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendant. Claim forms shall not be required.

42. Funding and Allocation of the Gross Settlement Amount. Within thirty (30) days of the Effective Date, Defendants shall pay the Gross Settlement Amount of Two Hundred Ten Thousand Dollars ($210,000.00). Defendants shall deposit the Gross Settlement Amount with the Settlement Administrator, who shall place that sum into a Qualified Settlement Fund ("QSF"). The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Internal Revenue Code and Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-1, *et seq.*, and will be administered by the Settlement Administrator as such.

43. Escalator Clause. Defendants estimate that approximately 197 employees worked

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approximately 8,091 pay periods between January 20, 2020 and October 28, 2025. Should the number of pay periods worked by Aggrieved Employees increase beyond ten percent (10%) during the period of January 20, 2020, through October 28, 2025, then Defendants may elect to either: (a) increase the Gross Settlement Amount on a *pro rata* basis equal to the percentage increase in the number of pay periods worked by the Aggrieved Employees above 10% (*e.g.*, if the number of pay periods increases by 11%, then the Gross Settlement Amount increases by 1%); or (b) shorten the PAGA Period so that the PAGA Period ends on the last day of the last pay period before the pay periods reach 11%, or 8,970 pay periods ("Alternative End Date"). Defendant does not anticipate that either provision will apply as Defendant is no longer in business and no longer has employees. Defendant must alert Plaintiff of their election before Plaintiff files the Motion for Approval.

44. Plaintiff's Service Award. Subject to Court approval, Plaintiff shall be paid a Service Award of Ten Thousand Dollars ($10,000.00), or any lesser amount as awarded by the Court, for his time and effort in bringing and presenting the Action. Defendant shall not oppose or object to Plaintiff's request for the Service Award. The Settlement Administrator shall issue an IRS Form 1099-MISC to Plaintiff for his Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on their Service Awards and shall hold harmless Defendants, PAGA Counsel, and Defense Counsel from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Service Award. Plaintiff already entered into an individual settlement with Defendant of all claims, including his individual PAGA claims and shall not be entitled to any award other than the Service Award. Any amount requested by Plaintiff for the Service Award not awarded by the Court shall become part of the PAGA Payment and shall be distributed to the LWDA and the Aggrieved Employees.

45. Attorneys' Fees and Expenses. Subject to Court approval, PAGA Counsel shall be entitled to receive reasonable attorneys' fees in an amount not to exceed 1/3 of the Gross Settlement Amount, which currently amounts to Seventy Thousand Dollars and Zero Cents ($70,000.00), subject to increase in the event the Gross Settlement Amount is deemed increased pursuant to the Escalator Clause. In addition, PAGA Counsel shall be entitled to an award of

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reasonable costs associated with PAGA Counsel's prosecution of the Action in an amount not to exceed Eleven Thousand Five Hundred Dollars and Zero Cents ($11,500.00). PAGA Counsel shall provide the Settlement Administrator with properly completed and signed IRS Forms W-9 in order for the Settlement Administrator to process the PAGA Counsel Award as approved by the Court. Defendant shall not oppose or object to Plaintiff's request for an award of the foregoing attorneys' fees and costs. In the event that the Court awards PAGA Counsel less than the requested amount in attorneys' fees and/or costs, the difference shall become part of the PAGA Payment and shall be distributed to the LWDA and the Aggrieved Employees. PAGA Counsel shall be solely and legally responsible to pay all applicable taxes on the PAGA Counsel Award. The Settlement Administrator shall issue IRS Forms 1099-MISC to PAGA Counsel for the Attorneys' Fees and Attorneys' Expenses. This Settlement is not conditioned upon the Court awarding PAGA Counsel any particular amount of attorneys' fees or costs, unless the amount awarded is more than specified in this paragraph, in which case the difference shall be awarded from the PAGA Payment and shall not increase the Gross Settlement Amount.

46. Administration Expenses. The Settlement Administration fees and expenses, which are estimated not to exceed Three Thousand Five Hundred Dollars and Zero Cents ($3,500.00) shall be paid from the Gross Settlement Amount. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Administration Expenses.

a. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

b. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a QSF pursuant to IRS rules and regulations in which the Gross Settlement Amount shall be placed and from which payments required by the Settlement shall be made.

47. PAGA Payment. The balance of the Gross Settlement Amount remaining after

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deduction of the Service Awards to Plaintiff, Attorneys' Fees, Attorneys' Expenses, and Administration Expenses is currently estimated to be One Hundred Fifteen Thousand Dollars and Zero Cents ($115,000.00). The PAGA Payment shall be used to satisfy the Individual PAGA Payments to Aggrieved Employees and the LWDA Payment in accordance with the terms of this Agreement. The PAGA Payment is the maximum amount that will be available for distribution to the LWDA and Aggrieved Employees in full satisfaction of all Released Claims. Pursuant to the PAGA, seventy-five percent (75%) of the PAGA Payment, or Eighty-Six Thousand Two Hundred Fifty Dollars and Zero Cents ($86,250.00), will be paid to the LWDA, and the remaining twenty-five percent (25%), or Twenty-Eight Thousand Seven-Hundred Fifty Dollars and Zero Cents ($28,750.00), will be paid to all Aggrieved Employees.

48. Individual PAGA Payments.

a. Individual PAGA Payments shall be paid by the Settlement Administrator from the PAGA Payment pursuant to the following formula: Defendants shall provide the Settlement Administrator with the Qualifying Pay Periods for each Aggrieved Employee. The Settlement Administrator shall then divide the Aggrieved Employees' portion of the PAGA Payment by the total number of Qualifying Pay Periods for all Aggrieved Employees resulting in a value for each pay period worked by the Aggrieved Employees during the PAGA Period ("Pay Period Value"). The Settlement Administrator shall then multiply the number of Qualifying Pay Periods for each Aggrieved Employee by the Pay Period Value.

b. Individual PAGA Payments shall be made by check and shall be made payable to each Aggrieved Employee as set forth in this Settlement Agreement.

c. Individual PAGA Payments shall be allocated as penalties, not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099-MISC to each Aggrieved Employee along with the Individual PAGA Payment.

d. Individual PAGA Payment checks shall remain negotiable for one hundred eighty (180) days from the date of mailing. If an Individual PAGA Payment check remains uncashed after one hundred eighty (180) days from issuance, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property

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Fund in the name of the Aggrieved Employee. In such event, such Aggrieved Employees shall nevertheless remain bound by the Settlement.

49. Settlement Administration.

a. Mailing of Settlement Packets. Within thirty (30) calendar days of the Effective Date, Defendants shall provide the Settlement Administrator with the Employee Information for purposes of mailing the Settlement Packets to Aggrieved Employees. Upon receipt of the Employee Information, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fourteen (14) calendar days of receiving the Gross Settlement Amount from Defendants as provided herein, the Settlement Administrator shall mail the Settlement Packets to all Aggrieved Employees via regular First-Class U.S. Mail. 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 most current mailing address for each Aggrieved Employee. The Parties agree that this procedure for notice provides the best notice practicable to Aggrieved Employees and fully complies with due process.

b. Undeliverable Settlement Packets. Any Settlement Packet returned to the Settlement Administrator as non-deliverable shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address, and/or Social Security number of the Aggrieved Employee involved, and shall then perform a re-mailing to the Aggrieved Employee whose Settlement Packet was returned as non-deliverable, assuming another mailing address is identified by the Settlement Administrator.

c. Determination of Individual PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amount of, each Aggrieved Employee's Individual PAGA Payment under the terms of this Settlement Agreement.

d. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall

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be resolved by the Court. Prior to any such involvement of the Court, counsel for the Parties shall confer in good faith and make use of the services of mediator J.J. Johnston, if necessary, to resolve the dispute without the necessity of involving the Court.

e. Payments. The Settlement Administrator will disburse all payments in connection with this Settlement, including the Individual PAGA Payments to Aggrieved Employees, LWDA Payment to the LWDA, Service Award to Plaintiff, Attorneys' Fees and Attorneys' Expenses to PAGA Counsel, and Administration Expenses to itself, within fourteen (14) days of Defendants funding the Gross Settlement Amount.

f. Accounting. The Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid out, no later than 60 days after the last payment is made.

g. Monitoring and Reviewing Settlement Administration. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in the correct amount, as provided for in this Settlement Agreement.

h. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this Settlement.

50. Nullification of Settlement. In the event: (i) the Court does not enter the Judgment; or (ii) the Settlement does not become final for any other reason, this Settlement Agreement shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning, and this Settlement Agreement and any documents related to it shall not be used in any other civil, criminal, or administrative action against Defendants or any of the other Released Parties. In the event an appeal is filed from the Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review. In the event the settlement is not finally approved, or is terminated, cancelled or fails to become effective for any reason, the Parties shall revert back to their respective positions as of before entering into the settlement.

51. No Admission by Defendant. Defendant denies all claims alleged in this Action

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and denies all wrongdoing whatsoever by Defendants. Neither this Settlement Agreement, nor any of its terms and conditions, nor any of the negotiations connected with it, are a concession or admission, and none shall be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant. The Parties agree that this Settlement Agreement shall not be admissible in this or any other proceeding as evidence that Defendant is liable to Plaintiff or the Aggrieved Employees, other than according to the terms of this Settlement Agreement.

52. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of any of the payments specified herein, and the Aggrieved Employees are not relying on any statement or representation by the Parties, PAGA Counsel, or Defense Counsel in this regard. The Aggrieved Employees and PAGA Counsel understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties, PAGA Counsel, and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

53. Circular 230 Disclaimer. THE PARTIES ACKNOWLEDGE AND AGREE THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES, PAGA COUNSEL, OR DEFENSE COUNSEL AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR

ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

54. Approval of Settlement. Plaintiff shall be responsible for filing a motion, and related papers, with the Court to approve the Settlement and enter the Judgment ("Motion for Approval"). The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for approval. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Approval; (ii) a draft proposed Order Granting Approval of PAGA Settlement; (iii) a draft proposed Notice; (iv) a signed declaration from the Administrator; (v) signed declarations from Plaintiff; and (v) a signed declaration from PAGA Counsel attesting to its competency.

55. Released Claims. Upon the payment of the Gross Settlement Amount, Plaintiff, individually and in his capacity as representative for the LWDA, and Aggrieved Employees will fully and finally release and discharge the Released Parties from all Released Claims. This release expressly excludes all other claims, including any individual claims Plaintiff may have against Defendants.

56. Descriptive Headings. The descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for convenience of reference only.

57. Entire Agreement. This Settlement Agreement constitutes the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been

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made to Plaintiff or Defendants concerning this Settlement Agreement other than the representations, warranties, and covenants contained and memorialized in this Settlement Agreement. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

58. Interim Stay of Action. The Parties agree to stay and to request that the Court stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement and enter the Judgment.

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

60. Authorization to Enter into Settlement Agreement. The Parties shall cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event 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 Daniel Buckley to resolve such disagreement. The individual(s) signing this Settlement Agreement on behalf of the Defendants represent and warrant that he/she/they is/are authorized to sign this Settlement Agreement on behalf of Defendants. Plaintiff represents and warrants that they are authorized to sign this Settlement Agreement and that they have not assigned any claim, or part of any claim, covered by this Settlement to a third party. Plaintiff acknowledges that they have read this Settlement Agreement, that they fully understand their rights, privileges, and duties under the Settlement Agreement, and enter this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that they have had the opportunity to consult with their attorneys to seek an explanation of the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement. Additionally, the Parties have cooperated in the drafting and preparation of this Settlement Agreement. Hence, in any construction made of this Settlement Agreement, the same shall not be construed against any of the Parties.

61. Binding on Successors and Assigns. This Settlement Agreement shall be binding

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upon, and inure to the benefit of, the successors and assigns of the Parties.

62. California Law Governs. All terms of this Settlement Agreement shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

63. Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronic signature with verification of signature provided, or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

64. Jurisdiction of the Court. Following entry of the Judgment, the Court shall retain continuing jurisdiction under California Code of Civil Procedure Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under California Code of Civil Procedure Section 583.310 shall be extended from September 8, 2027 until the entry of the final approval order and judgment or if not entered the date this Agreement shall no longer be of any force or effect. Should any party be required to enforce the terms of the Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

65. Invalidity of Any Provision. Before declaring any term or provision of this Settlement Agreement invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement as valid and enforceable.

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions in this Settlement, and execute it voluntarily and with full understanding of its consequences.

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Los Angeles, California 90071

DATED: 06/12, 2026

PLAINTIFF DANIEL ESTRADA

By: ID j8UBHYFQFiPpgjfVAvtDku3h

Daniel Estrada

DATED: 6/11/2026 | 16:21:00 PDT, 2026

ALLEN GWYNN CHEVROLET, INC.

DocuSigned by:

By: Jim Bacon

B049041000BC4DE...

APPROVED AS TO FORM AND CONTENT:

DATED: 06/12, 2026

MESSRELIAN LAW, INC.,

By: ID UcyrPaUF5xCckK4wZzWdhL37

Harout A. Messrelian
Attorneys for Plaintiff Daniel Estrada

DATED: June 12, 2026

FREEMAN MATHIS & GARY, LLP

By:

John K. Rubiner
Attorneys for Defendant Allen Gwynn Chevrolet

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550 South Hope Street, 22nd Floor
Los Angeles, California 90071

eSignature Details

Signer ID:	**j8UBHYFQFiPpgjfVAvtDku3h**
Signed by:	DANIEL ESTRADA
Sent to email:	estradadanny22@gmail.com
IP Address:	68.119.148.98
Signed at:	Jun 12 2026, 4:37 pm PDT

Signer ID:	**UcyrPaUF5xCckK4wZzWdhL37**
Signed by:	Harout Messrelian
Sent to email:	hm@messrelianlaw.com
IP Address:	69.234.47.40
Signed at:	Jun 12 2026, 4:38 pm PDT

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual Settlement Payment from *Daniel Estrada v. Allen Gwynn Chevrolet, Inc.*
Los Angeles County Superior Court, Case No. 21STCV11667

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Check"). This check is your payment from the settlement of a lawsuit entitled *Daniel Estrada v. Allen Gwynn Chevrolet, Inc.,* Case No. 21STCV11667 ("the Action"), pending in the Superior Court of California for the County of Los Angeles ("Court").

The lawsuit was filed by Daniel Estrada ("Plaintiff"), former employee of Allen Gwynn Chevrolet, Inc. ("Defendant"), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendant violated multiple provisions of the California Labor Code and Industrial Welfare Commission Wage Orders by failing to provide and maintain required tools and equipment or compensate affected employees at no less than twice the minimum wage, pay for all hours worked, pay all minimum wages, pay for rest and recovery periods and other non-productive time, pay all overtime wages, provide lawful meal periods or provide meal premium compensation in lieu thereof, authorize or permit lawful rest breaks or provide rest premium compensation in lieu thereof, timely pay all wages during employment and upon separation of employment, provide compliant wage statements, keep accurate and complete payroll records, and reimburse necessary business expenses. Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following aggrieved employees: all current and former non-exempt employees who worked for Defendant within the State of California between January 20, 2020 and October 28, 2025 ("PAGA Employees").

On July 27, 2026, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the PAGA Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as a PAGA Employee. Your Individual Settlement Check is based on the total number of pay periods that you worked as a PAGA Employee during the period between January 20, 2020 and October 28, 2025 ("PAGA Period"). The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to fully release and forever discharge the Released Parties from the Released Claims. The "Released Parties" means and refers to Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries, or affiliates. The "Released Claims" means all PAGA claims for civil penalties alleged, or reasonably could have been alleged, based on the facts alleged in the Complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period against Defendant for failure to provide and maintain required tools and equipment or compensate at no less than twice the minimum wage; failure to compensate all wages earned and all hours worked; failure to pay minimum wages; failure to pay for rest and recovery periods and other non-productive time; failure to pay overtime wages; failure to provide meal periods; failure to provide rest breaks; failure to provide accurate, itemized wage statements; failure to maintain records; failure to reimburse and indemnify business expenses; and failure to pay all wages upon termination, including but not limited to claims for PAGA civil penalties arising from California Labor Code sections 203, 204, 226, 226.2, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 2800, 2802, and 2698 et seq, and all applicable Industrial Welfare Commission Wage Orders nos. 4-2001 & 7-2001. **By cashing your Individual Settlement Check, you are not giving up any right to sue for damages arising out of any individual claims that you may have against Defendant.**

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in the name of the PAGA Employee whose check is voided.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at ILYM Group, Inc. << CONTACT INFORMATION>>.

EXHIBIT 2

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: Daniel Estrada v. Allen Gwynn
Wednesday, May 6, 2026

Requesting Attorney:	**ILYM Group Contact:**
Harout Messrelian, Esq.	Lisa Mullins
MESSRELIAN LAW INC.	ILYM Group, Inc.
hm@messrelianlaw.com	Lisa@ilymgroup.com
818.810.7747	714.878.8836

Estimate For Administrative Solutions: PAGA

KEY ASSUMPTIONS	
Total Number of Aggrieved Employees	200
Estimated Percentage of Remails	15%
Certified Spanish Translation	No
ILYM Group Static Website	No
NCOA	Yes
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	$543.00
Distribution (Includes EIN, Bank Acct * /QSF Setup):	$2,737.00
Case Conclusion:	$220.00
Estimated ILYM Fees & Expenses:	**$3,500.00**

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: Daniel Estrada v. Allen Gwynn

Wednesday, May 6, 2026

Requesting Attorney's Name: Harout Messrelian, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - *Import and Formatting of Data**	Hourly	$150.00	1	$150.00
Project Manager (Case notification and maintenance)	Hourly	$120.00	2	$240.00
NCOA	Flat Rate	$65.00	1	$65.00
Toll-Free Customer Service Representative	Flat Rate	$88.00	1	$88.00

****ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ $150.00 per hour.***

Subtotal $543.00

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct /QSF Setup)*				
Distribution Setup & Management	Hourly	$150.00	1	$150.00
Account Reconciliation & Distribution Reporting	Hourly	$125.00	1	$125.00
Notice, Check, Stub & Release - (including 1099)	Per Check	$1.50	200	$300.00
USPS First Class 1oz Postage	Per Piece	$0.76	200	$152.00
Remails (Forward/Skip Trace Undeliverables)	Per Piece	$2.00	30	$60.00
Preparation of Taxes	Hourly	$150.00	3	$450.00
Annual Filing of Tax Return	Per Year	$1,500.00	1	$1,500.00

**Additional Bank fees may apply*

Subtotal $2,737.00

Activity	Rate Type	Unit Cost	Volume	Amount
CASE CONCLUSION				
Data Manager Final Reporting	Hourly	$100.00	1	$100.00
Declaration	Hourly	$120.00	1	$120.00

Subtotal $220.00

Estimated ILYM Fees & Expenses: $3,500.00

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Clients instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT 3