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**STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT
AND RELEASE**

Jonathan Jauregui Gutierrez and Alfredo Gonzalez v. Pasha Automotive Services
San Diego Superior Court Case No.: 37-2021-00011967-CU-OE-CTL

JOINT STIPULATION OF SETTLEMENT AND RELEASE

This Joint Stipulation of Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Jonathan Jauregui Gutierrez and Alfredo Gonzalez (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all others similarly situated, and Defendant Pasha Automotive Services (“Defendant”), on the other hand (collectively with Plaintiffs, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means, collectively, the following lawsuit: *Jonathan Jauregui Gutierrez and Alfredo Gonzalez v. Pasha Automotive Services*, San Diego Superior Court Case No. 37-2021-00011967-CU-OE-CTL (the “Action”), along with all complaints filed therein, as well as the pre-litigation PAGA Letters sent by Plaintiffs.
2. “Aggrieved Employees” means all current and former non-exempt, hourly employees of Defendant in the State of California during the period from March 17, 2020 through February 23, 2024.
3. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by Class Counsel in the Action, including but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, obtaining entry of a Judgment terminating the Action, and expenses for any experts. Class Counsel will request attorneys’ fees not in excess of one-third (33.33%) of the Settlement Amount, or Five Hundred Thousand Dollars and No Cents (\$500,000.00). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Sixty Thousand Dollars (\$60,000.00), subject to the Court’s approval. Defendant has

1 agreed not to oppose Class Counsel's request for fees and reimbursement of costs in the
2 amounts set forth above.

3 4. "Class Period" means the period from March 17, 2017 through February
4 23, 2024.

5 5. "Complaint" refers to the Second Amended Class Action Complaint that
6 Plaintiffs filed in San Diego County Superior Court on or about November 17, 2021.

7 6. "Class Payments" means payments made from the Net Settlement Amount
8 to Participating Class Members.

9 7. "Class Counsel" means Bradley/Grombacher, LLP, and Haines Law
10 Group, APC.

11 8. "Class List" means a complete list of all Class Members that Defendant
12 will diligently and in good faith compile from their records and provide to the Settlement
13 Administrator and to Class Counsel within fourteen (14) business days after Preliminary
14 Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel
15 and will include each Class Member's full name; most recent mailing address and
16 telephone number; Social Security number; dates of employment; the respective number
17 of Workweeks that each Class Member worked during the Class Period; and any other
18 relevant information needed to calculate settlement payments.

19 9. "Class Member(s)" or "Settlement Class" means all persons employed by
20 Pasha Automotive Services as non-exempt, hourly workers in California from March
21 17, 2017 through February 23, 2024. Excluded from the Settlement Class are all
22 individuals who submit valid and timely Requests for Exclusion.

23 10. "Class Representative Service Awards" means the amounts to be paid to
24 Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of
25 Class Members, and for their general release of claims. Subject to the Court granting
26 final approval of this Settlement Agreement and subject to the exhaustion of any and all
27 appeals, Plaintiffs will request Court approval of Class Representative Service Awards
28 of Ten Thousand Dollars (\$10,000) for each of the Plaintiffs.

1 11. “Court” means the Superior Court of California, County of San Diego,
2 Hon. Katherine A. Bacal, or any other court taking jurisdiction of the Settlement.

3 12. “Defendant” means Defendant Pasha Automotive Services.

4 13. “Effective Date” means the date on which the settlement is approved and
5 the Court’s order approving the settlement (“Judgment”) becomes final. Within fifteen
6 (15) business days after the Effective Date, Defendant shall fund the Gross Settlement
7 Amount. For purposes of this Settlement Agreement, the Court’s Judgment “becomes
8 final” upon the latter of: (i) if no appeal is filed, the expiration date of the time for the
9 filing or noticing of any appeal from, or other challenge to, the Court’s Judgment (this
10 time period shall not be less than 60 calendar days after the Court’s Judgment is
11 entered); (ii) the date affirmance of an appeal of the Judgment becomes final under the
12 California Code of Civil Procedure; or (iii) the date of final dismissal of any appeal from
13 the Judgment or the final dismissal of any proceeding on review of any court of appeal
14 decision relating to the Judgment.

15 14. “Employee PAGA Payments” means payments to Aggrieved Employees
16 made from the PAGA Fund, collectively amounting to 25% of the PAGA Fund.
17 Employee PAGA Payments will be distributed to Aggrieved Employees regardless of
18 whether they are also Class Members and/or whether they exclude themselves from the
19 Class Settlement.

20 15. “Individual Class Payment” means each Participating Class Member’s
21 respective share of the Net Settlement Amount.

22 16. “LWDA PAGA Payment” means the payment to the Labor and
23 Workforce Development Agency made from the PAGA Fund, amounting to 75% of the
24 PAGA Fund.

25 17. “Net Settlement Amount” means the portion of the Gross Settlement
26 Amount remaining after deducting the Attorneys’ Fees and Costs, the Class
27 Representative Service Awards, the PAGA Fund, and Settlement Administration Costs.
28 The entire Net Settlement Amount will be distributed to Participating Class Members.

1 There will be no reversion of the Net Settlement Amount to Defendant.

2 18. "Notice of Objection" means a Class Member's valid and timely written
3 objection to the Settlement Agreement. For the Notice of Objection to be valid, it must
4 include: (i) the objector's full name, signature, address, and telephone number, (ii) a
5 written statement of all grounds for the objection accompanied by any legal support for
6 such objection; (iii) copies of any papers, briefs, or other documents upon which the
7 objection is based; and (iv) a statement whether the objector intends to appear at the
8 Fairness Hearing. Regardless of whether any Class Member submits a written Notice
9 of Objection, the Court will hear any objections presented by a Class Member at the
10 Final Approval / Fairness Hearing.

11 19. "Notice Packet" means the Notice of Class Action Settlement,
12 substantially in the form attached as Exhibit A.

13 20. "PAGA Letters" means those letters sent prior to the filing of the
14 Complaint by Class Counsel to the California Labor & Workforce Development
15 Agency, on behalf of Plaintiffs and Aggrieved Employees, for the purpose of complying
16 with the notice and reporting requirements of California Labor Code section 2699.3,
17 asserting that Defendant had committed violations of the Labor Code.

18 21. "PAGA Fund" means that portion of the Gross Settlement Amount
19 allocated to claims brought under the Private Attorneys General Act. The amount of the
20 PAGA Fund shall be Twenty Thousand Dollars (\$20,000.00). 75% of the PAGA Fund
21 will be allocated to the LWDA PAGA Payment and 25% will be allocated to the
22 Employee PAGA Payments.

23 22. "PAGA Period" means the period from March 17, 2020 through February
24 23, 2024.

25 23. "Parties" means Plaintiffs and Defendant collectively.

26 24. "Participating Class Members" means all Class Members who do not
27 submit timely and valid Requests for Exclusion.

28 25. "Pay Periods" means the number of pay periods during which the

1 Aggrieved Employees performed work during the PAGA Period, based on Defendant's
2 records. Each Aggrieved Employee will be credited with at least one Pay Period.

3 26. "Plaintiffs" means Plaintiffs Jonathan Jauregui Gutierrez and Alfredo
4 Gonzalez.

5 27. "Preliminary Approval" means the Court order granting preliminary
6 approval of the Settlement Agreement.

7 28. "Released Claims" means all claims, rights, demands, liabilities, and
8 causes of action that were alleged or that could have been alleged based on the facts
9 alleged in the Action and the PAGA Letters, including all claims based on the alleged
10 violations of the California Labor Code. The Released Claims specifically include,
11 without limitation: claims for: (1) All claims, rights, demands, liabilities, and causes of
12 action alleged in any of the LWDA notice letters and Complaints filed by Plaintiffs in
13 the Action, including but not limited to claims based upon Labor Code sections 200-203,
14 206, 210, 218.6, 226, 226.3, 226.7, 510, 512, 1174, 1194, 1194.2 1197, 1197.1, 1198,
15 2698, 2699, 6720; (2) Failure to Pay Wages, including Overtime; (3) Failure to Provide
16 Meal Periods; (4) Failure to Provide Compliant Wage Statements; (5) Failure to Pay
17 Wages Upon Termination; (6) Unfair Business Practices pursuant to Business &
18 Professions Code Sections 17200, et seq.; and (7) all such claims arising from the
19 applicable Wage Order(s), throughout the Class Period. The release of PAGA claims
20 will be effective as to Aggrieved Employees regardless of whether or not they exclude
21 themselves from the Class Settlement.

22 29. "Released Parties" means Defendant and any of their past, present and
23 future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, as
24 well as each of its or their past, present and future officers, directors, employees,
25 partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any
26 individual or entity which could be jointly liable with Defendant.

27 30. "Request for Exclusion" means a timely letter submitted by a Class
28 Member indicating a request to be excluded from the Class Settlement. The Request for

1 Exclusion must: (i) set forth the name, address, telephone number and last four digits of
2 the Social Security Number of the Class Member requesting exclusion; (ii) be signed by
3 the Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that
4 the Class Member does not wish to be included in the Settlement; and (v) be faxed or
5 postmarked on or before the Response Deadline.

6 31. “Response Deadline” means the deadline by which Class Members must
7 postmark or fax to the Settlement Administrator Requests for Exclusion, or postmark
8 Notices of Objection to the Settlement Administrator. The Response Deadline will be
9 forty-five (45) calendar days from the initial mailing of the Notice Packet by the
10 Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or
11 State holiday, in which case the Response Deadline will be extended to the next day on
12 which the U.S. Postal Service is open.

13 32. “Settlement Administration Costs” means the costs payable from the Gross
14 Settlement Amount to the Settlement Administrator for administering this Settlement,
15 including, but not limited to, printing, distributing, and tracking documents for this
16 Settlement, tax reporting, distributing and redistributing the Settlement Amount,
17 maintaining a static website to post Notices and Orders regarding the Settlement,
18 including the Order on Final Approval, and providing necessary reports and declarations,
19 as requested by the Parties. The Settlement Administration Costs will be paid from the
20 Gross Settlement Amount, including, if necessary, any such reasonable costs in excess
21 of the amount represented by the Settlement Administrator as being the maximum costs
22 necessary to administer the Settlement.

23 33. “Settlement Administrator” means ILYM Group, Inc., or any other third-
24 party class action settlement administrator agreed to by the Parties and approved by the
25 Court for the purposes of administering this Settlement. The Parties each represent that
26 they do not have any financial interest in the Settlement Administrator or otherwise have
27 a relationship with the Settlement Administrator that could create a conflict of interest.

28 34. “Gross Settlement Amount” means the Gross Settlement Amount of One

1 Million Five Hundred Thousand Dollars (\$1,500,000.00), to be paid by Defendant in full
2 satisfaction of all Released Claims arising from the Action, which includes all Individual
3 Class Payments to Participating Class Members (including any employee-side payroll
4 taxes for that portion of the Individual Class Payments attributable to wages), the PAGA
5 Fund, Attorneys' Fees and Costs to Class Counsel, the Class Representative Service
6 Awards to Plaintiffs, and the Settlement Administration Costs to the Settlement
7 Administrator. This Settlement Amount has been agreed to by Plaintiffs and Defendant
8 based on the aggregation of the agreed-upon settlement value of individual claims. In no
9 event will Defendant pay more than the Gross Settlement Amount except as otherwise
10 explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to
11 Defendant. Defendant will be separately responsible for any employer payroll taxes
12 required by law, including the employer FICA, FUTA, and SDI contributions, which
13 shall not be paid from the Gross Settlement Amount.

14 However, If the total number of workweeks worked by Class Members during
15 the Class Period exceeds 110,000 by more than 10% (i.e., if the total is greater than
16 121,000 workweeks), then Plaintiffs shall, in their sole discretion, have the right to
17 request a pro-rata increase in the Gross Settlement Amount equal to the percentage
18 increase in workweeks above 110,000. For example, if the workweek count increases by
19 12%, then Plaintiffs shall request a 12% increase to the Gross Settlement Amount.
20 Provided however, that at Defendant's discretion, in lieu of paying for any excess
21 workweeks, the Class Period may be shortened so that it includes only a total of 121,000
22 workweeks.

23 35. "Workweeks" means the number of weeks during which Class Members
24 performed work for Defendant during the Class Period, based on Defendant's records.
25 All Class Members will be credited with at least one Workweek.

26 **TERMS OF AGREEMENT**

27 The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant
28 agree as follows:

1 36. Funding of the Gross Settlement Amount. Defendant will make a one-
2 time deposit of the Gross Settlement Amount into a Qualified Settlement Fund to be
3 established by the Settlement Administrator, in addition to the employer-side payroll
4 taxes. After the Effective Date, the Gross Settlement Amount will be used for: (i)
5 Individual Class Payments; (ii) the PAGA Fund; (iii) the Class Representative Service
6 Awards; (iv) Attorneys' Fees and Costs; and (v) Settlement Administration Costs.
7 Defendant will deposit the Gross Settlement Amount and the employer's share of
8 payroll taxes within fifteen (15) business days of the Effective Date.

9 37. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any
10 application or motion by Class Counsel for Attorneys' Fees and Costs of not more than
11 Five Hundred Thousand Dollars (\$500,000.00), plus the reimbursement of costs and
12 expenses associated with Class Counsel's litigation and settlement of the Action, not to
13 exceed Sixty Thousand Dollars (\$60,000.00), both of which will be paid from the Gross
14 Settlement Amount.

15 38. Class Representative Service Awards. In exchange for general releases,
16 and in recognition of their effort and work in prosecuting the Action on behalf of Class
17 Members, Defendant agrees not to oppose or impede any application or motion for Class
18 Representative Service Awards in the amounts of Ten Thousand Dollars (\$10,000.00)
19 for each of the Plaintiffs. The Class Representative Service Awards will be paid from
20 the Gross Settlement Amount and will be in addition to any Individual Class Payments
21 and any Employee PAGA Payments that Plaintiffs may be entitled to paid pursuant to
22 the Settlement. Plaintiffs will be solely and legally responsible to pay any and all
23 applicable taxes on the Class Representative Service Awards.

24 39. Settlement Administration Costs. The Settlement Administrator will be
25 paid for the reasonable costs of administration of the Settlement and distribution of
26 payments from the Gross Settlement Amount, which costs are currently estimated to be
27 Seventeen Thousand Five Hundred Fifty Dollars (\$17,550.00). These costs, which will
28 be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax

1 reporting on the Individual Class Payments, the issuing of 1099 and W-2 IRS Forms,
2 distributing Notice Packets, administering any disputes brought by Class Members
3 regarding their payments or eligibility therefore, calculating and distributing the Gross
4 Settlement Amount, maintaining a static website to post Notices and Orders regarding
5 the Settlement, including the Order on Final Approval, and providing necessary reports
6 and declarations.

7 40. Net Settlement Amount. The entire Net Settlement Amount will be
8 distributed to Participating Class Members. No portion of the Net Settlement Amount
9 will revert to or be retained by Defendant.

10 41. PAGA Payment Calculations. The PAGA Fund, in the amount of
11 \$20,000.00, will be split into two types of payment. 75% of the PAGA Fund will be
12 allocated to the LWDA PAGA Payment and 25% will be allocated to the Employee
13 PAGA Payments. Specific calculations of Employee PAGA Payments will be made as
14 follows:

15 41(a) Defendant will calculate the total number of Pay Periods worked
16 by each Aggrieved Employee during the PAGA Period and the
17 aggregate total number of Pay Periods worked by all Aggrieved
18 Employees during the PAGA Period.

19 41(b) To determine each Aggrieved Employee's Employee PAGA
20 Payment, the Settlement Administrator will use the following
21 formula: 25% of the PAGA Fund will be divided by the
22 aggregate total number of Pay Periods, resulting in the "Pay
23 Period Value." Each Aggrieved Employee's Employee PAGA
24 Payment will be calculated by multiplying each Aggrieved
25 Employee's total number of Pay Periods by the Pay Period
26 Value. Each Aggrieved Employee will be credited with at least
27 one Pay Period.

28 42. Individual Class Payment Calculations. Individual Class Payments will be

1 calculated and apportioned from the Net Settlement Amount. Specific calculations of
2 Individual Class Payments will be made as follows:

3 42(a) Defendant will calculate the total number of Workweeks
4 worked by each Class Member during the Class Period and the
5 aggregate total number of Workweeks worked by all Class
6 Members during the Class Period.

7 42(b) To determine each Class Member's estimated Class Payment,
8 the Settlement Administrator will use the following formula: the
9 Net Settlement Amount will be divided by the aggregate total
10 number of Workweeks, resulting in the "Class Workweek
11 Value." Each Class Member's Individual Class Payment will be
12 calculated by multiplying each individual Class Member's total
13 number of Workweeks by the Class Workweek Value.

14 42(c) The Individual Class Payment will be reduced by any required
15 deductions for each Participating Class Member as specifically
16 set forth herein, including employee-side tax withholdings or
17 deductions.

18 42(d) The entire Net Settlement Amount will be disbursed to all Class
19 Members who do not submit timely and valid Requests for
20 Exclusion. If there are any valid and timely Requests for
21 Exclusion, the Settlement Administrator shall proportionately
22 increase the Individual Class Payment for each Participating
23 Class Member according to the number of Workweeks worked,
24 so that the amount actually distributed to the Settlement Class
25 equals 100% of the Net Settlement Amount.

26 43. No Credit Toward Benefit Plans. The Individual Class Payments made to
27 Participating Class Members under this Settlement, as well as any other payments made
28 pursuant to this Settlement, will not count towards, or be utilized to calculate any

1 additional benefits under any benefit plans to which any Class Members may be eligible,
2 including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock
3 purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
4 Rather, it is the Parties' intention that this Settlement Agreement will not affect any
5 rights, contributions, or amounts to which any Class Members may be entitled under any
6 benefit plans.

7 44. Administration Process. The Parties agree to cooperate in the
8 administration of the Settlement and to make all reasonable efforts to control and
9 minimize the costs and expenses incurred in administration of the Settlement.

10 45. Delivery of the Class List. Within fourteen (14) business days of
11 Preliminary Approval, Defendant will provide the Class List to the Settlement
12 Administrator. The Settlement Administrator shall keep confidential the Class List, as
13 well as any other information provided to it as part of the contemplated Settlement.

14 46. Notice by First-Class U.S. Mail. Within fourteen (14) calendar days after
15 receiving the Class List from Defendant, the Settlement Administrator will mail a Notice
16 Packet to all Class Members via regular First-Class U.S. Mail, using the most current,
17 known mailing addresses identified in the Class List.

18 47. Confirmation of Contact Information in the Class Lists. Prior to mailing,
19 the Settlement Administrator will perform a search based on the National Change of
20 Address Database and an Accurint (or substantially similar) in-depth skip trace in order
21 to obtain the best possible address for Class Members. Any Notice Packets returned to
22 the Settlement Administrator as non-deliverable on or before the Response Deadline will
23 be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
24 thereto and the Settlement Administrator will indicate the date of such re-mailing on the
25 Notice Packet. If no forwarding address is provided, the Settlement Administrator will
26 promptly attempt to determine the correct address using a skip-trace, or other search
27 using the name, address and/or Social Security number of the Class Member involved,
28 and will then perform a single re-mailing. Those Class Members who receive a re-

1 mailed Notice Packet, whether by skip-trace or by request, will have between the later of
2 (a) an additional fifteen (15) calendar days or (b) the Response Deadline to submit a
3 Request for Exclusion or an objection to the Settlement.

4 48. Notice Packets. All Class Members will be mailed a Notice Packet,
5 substantially in the form attached as Exhibit A. Each Notice Packet will provide, among
6 other information: (i) information regarding the nature of the Action; (ii) a summary of
7 the Settlement's principal terms; (iii) the Settlement Class definition; (iv) the Aggrieved
8 Employee definition; (v) the total number of Workweeks each respective Class Member
9 worked for Defendant during the Class Period; (vi) the total number of Pay Periods each
10 Aggrieved Employee worked for Defendant during the PAGA Period; (vii) each Class
11 Member's estimated Individual Class Payment and the formula for calculating
12 Individual Class Payments; (viii) each Aggrieved Employee's estimated Employee
13 PAGA Payment and the formula for calculating Employee PAGA Payments (ix) the
14 dates which comprise the Class Period and the PAGA Period; (x) instructions on how to
15 submit Requests for Exclusion or Notices of Objection; (xi) the deadlines by which the
16 Class Member must postmark or fax Requests for Exclusion or Notices of Objection to
17 the Settlement; and (xii) the claims to be released.

18 49. Disputed Information on Notice Packets. Class Members and Aggrieved
19 Employees will have an opportunity to dispute the information provided in their Notice
20 Packets. To the extent Class Members or Aggrieved Employees dispute their
21 employment dates or the number of Workweeks or Pay Periods on record, Class
22 Members and Aggrieved Employees may produce evidence to the Settlement
23 Administrator showing that such information is inaccurate. Class Members and
24 Aggrieved Employees must submit their dispute before the Response Deadline. The
25 Settlement Administrator will decide the dispute. Defendant's records will be presumed
26 correct, but the Settlement Administrator will evaluate the evidence submitted by the
27 Class Member or Aggrieved Employee and will make the final decision as to the merits
28 of the dispute. All disputes will be decided within ten (10) business days of the

1 Response Deadline.

2 50. Defective Submissions. If a Class Member's Request for Exclusion is
3 defective as to the requirements listed herein, that Class Member will be given an
4 opportunity to cure the defect(s). The Settlement Administrator will mail the Class
5 Member a cure letter within three (3) business days of receiving the defective
6 submission to advise the Class Member that his or her submission is defective and that
7 the defect must be cured to render the Request for Exclusion valid. The Class Member
8 will have until the later of (i) Response Deadline or (ii) fifteen (15) calendar days from
9 the date of the cure letter, whichever date is later, to postmark or fax a revised Request
10 for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax
11 within that period, it will be deemed untimely.

12 51. Request for Exclusion Procedures. Any Class Member wishing to opt out
13 of the Settlement Agreement must sign and fax or postmark a written Request for
14 Exclusion to the Settlement Administrator within the Response Deadline. In the case of
15 Requests for Exclusion that are mailed to the Settlement Administrator, the postmark
16 date will be the exclusive means to determine whether a Request for Exclusion has been
17 timely submitted. Aggrieved Employees will not have the opportunity to opt-out of the
18 settlement of PAGA claims. The Settlement of PAGA claims will be effective as to
19 Aggrieved Employees regardless of whether they are also Class Members and/or if they
20 exclude themselves from the Class Settlement.

21 52. Settlement Terms Bind All Aggrieved Employees, and all Class Members
22 Who Do Not Opt Out. All Aggrieved Employees and all Participating Class Members
23 will be bound by all of the terms of the Settlement Agreement, including those
24 pertaining to the Released Claims, as well as any Judgment that may be entered by the
25 Court if it grants final approval to the Settlement.

26 53. Tolerance of Exclusions. Notwithstanding any other provision of this
27 Settlement Agreement, Defendant shall retain the right, in their sole discretion, to rescind
28 this Settlement Agreement within twenty (20) calendar days after receiving from the

1 Claims Administrator the final list of Class Members submitting Requests for Exclusion,
2 if more than ten percent (10%) of Class Members choose to be excluded from this
3 Settlement. Defendant agrees to meet and confer in good faith with Class Counsel before
4 rescinding the Settlement Agreement. In the event that Defendant elects to rescind the
5 Settlement Agreement, Defendant shall provide written notice of such rescission to Class
6 Counsel. Such rescission shall have the same effect as a termination of the Settlement
7 Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement
8 shall become null and void and have no further force or effect. The Parties specifically
9 agree not to solicit Requests for Exclusion, directly or indirectly, through any means.

10 54. Objection Procedures. To object to the Settlement Agreement, a Class
11 Member must postmark a valid Notice of Objection to the Settlement Administrator on
12 or before the Response Deadline or appear at the Final Approval Hearing to state his/her
13 objections. All Class Members will have a right to appear at the Final Approval Hearing
14 in order to have their objections heard by the Court regardless of whether they submit a
15 written Notice of Objection. Class Members who submit a written Notice of Objection
16 must sign it and include all information required by Paragraph 18 of this Settlement
17 Agreement. The postmark will be deemed the exclusive means for determining that the
18 Notice of Objection is timely. Class Members who fail to object in the manner specified
19 above will be deemed to have waived all objections to the Settlement and will be
20 foreclosed from making any objections, whether by appeal or otherwise, to the
21 Settlement Agreement. At no time will any of the Parties or their counsel seek to solicit
22 or otherwise encourage Class Members to submit written objections to the Settlement
23 Agreement or appeal from the Order and Judgment. Class Counsel will not represent
24 any Class Members with respect to any such objections to this Settlement.

25 55. Certification Reports Regarding Individual Class Payment Calculations.
26 The Settlement Administrator will provide Defendant's counsel and Class Counsel a
27 weekly report that certifies the number of Class Members who have submitted valid
28 Requests for Exclusion, objections to the Settlement, and whether any Class Member

1 has submitted a challenge to any information contained in their Notice Packet.

2 Additionally, the Settlement Administrator will provide to counsel for both Parties any
3 updated reports regarding the administration of the Settlement Agreement as needed or
4 requested.

5 56. Distribution Timing of Individual Class Payments. Within thirty (30)
6 calendar days of the Effective Date, the Settlement Administrator will issue payments to:
7 (i) Participating Class Members; (ii) Aggrieved Employees; (iii) the Labor & Workforce
8 Development Agency; (iv) Plaintiffs; and (v) Class Counsel. The Settlement
9 Administrator will also issue a payment to itself for Court-approved services performed
10 in connection with the Settlement.

11 57. Un-cashed Settlement Checks. Funds represented by Individual Class
12 Payment checks returned as undeliverable and Individual Class Payment checks
13 remaining un-cashed for more than one hundred and eighty (180) calendar days after
14 issuance will be paid as a *cy pres* award to Legal Aid at Work. The Parties each
15 represent that they do not have any financial interest in Legal Aid at Work, or otherwise
16 have a relationship with Legal Aid at Work that could create a conflict of interest. The
17 Participating Class Members and/or Aggrieved Employees whose uncashed settlement
18 checks are paid in *cy pres* will nevertheless be bound by the terms and releases of this
19 Settlement.

20 58. Certification of Completion. Upon completion of administration of the
21 Settlement, the Settlement Administrator will provide a written declaration under oath to
22 certify such completion to the Court and counsel for all Parties.

23 59. Tax Treatment of Payments. All Employee PAGA Payments will be
24 allocated as non-wages for which IRS Forms 1099-MISC will be issued. All Individual
25 Class Payments will be allocated as follows: (i) Thirty Percent (30%) of each Individual
26 Class Payment will be allocated as wages for which IRS Forms W-2 will be issued; (ii)
27 Seventy Percent (70%) of each Individual Class Payment will be allocated as non-wages
28 for which IRS Forms 1099-MISC will be issued. All Class Representative Service

Awards will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

60. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

61. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard. Each Party has relied on its own independent tax counsel for advice in connection with the tax implications of this Settlement Agreement.

62. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL 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, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION

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

12 63. No Prior Assignments. The Parties and their counsel represent, covenant,
13 and warrant that they have not directly or indirectly assigned, transferred, encumbered,
14 or purported to assign, transfer, or encumber to any person or entity any portion of any
15 liability, claim, demand, action, cause of action or right herein released and discharged.

16 64. Nullification of Settlement Agreement. In the event that: (i) the Court
17 does not finally approve the Settlement as provided herein; or (ii) the Settlement does not
18 become final for any other reason, then this Settlement Agreement, and any documents
19 generated to bring it into effect, will be null and void. Any order or judgment entered by
20 the Court in furtherance of this Settlement Agreement will likewise be treated as void
21 from the beginning.

22 65. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the
23 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of
24 a Preliminary Approval Order for: (i) conditional certification of the Settlement Class
25 for settlement purposes only, (ii) preliminary approval of the proposed Settlement
26 Agreement, (iii) setting a date for a Final Approval/Settlement Fairness Hearing. The
27 Preliminary Approval Order will provide for the Notice Packet to be sent to all Class
28 Members as specified herein. In conjunction with the Preliminary Approval hearing,

1 Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this
2 Settlement, and will include the proposed Notice Packet, which will include the
3 proposed Notice of Class Action Settlement. Class Counsel will be responsible for
4 drafting all documents necessary to obtain preliminary approval. Class Counsel shall
5 send the preliminary approval motion and all supporting documents to Defendant's
6 counsel for comment at least five (5) business days before filing. Defendant's counsel
7 will have three (3) business days to review and provide comments/revisions. Class
8 Counsel shall in good faith consider the comments of Defendant's counsel prior to filing
9 the preliminary approval motion.

10 66. Final Settlement Approval Hearing and Entry of Judgment. Upon
11 expiration of the deadlines to postmark Requests for Exclusion or objections to the
12 Settlement Agreement, and with the Court's permission, a Final Approval/Settlement
13 Fairness Hearing will be conducted to determine the Final Approval of the Settlement
14 Agreement along with the amounts properly payable for: (i) Attorneys' Fees and Costs;
15 (ii) the Class Representative Enhancement Payment; (iii) Individual Class Payments; (iv)
16 all Settlement Administration Costs. The Final Approval/Settlement Fairness Hearing
17 will not be held earlier than thirty (30) calendar days after the Response Deadline. Class
18 Counsel will be responsible for drafting all documents necessary to obtain final approval.
19 Class Counsel will also be responsible for drafting the attorneys' fees and costs
20 application to be heard at the final approval hearing. Class Counsel shall send the final
21 approval motion and all supporting documents to Defendant's counsel for comment at
22 least five business days before filing. Defendant's counsel will have three (3) business
23 days to review and provide comments/revisions. Class Counsel shall in good faith
24 consider the comments of Defendant's counsel prior to filing the final approval motion.

25 67. Judgment and Continued Jurisdiction. Upon final approval of the
26 Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the
27 Parties will present the Judgment to the Court for its approval. After entry of the
28 Judgment, the Court will have continuing jurisdiction solely for purposes of addressing:

1 (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement
2 administration matters, and (iii) such post-Judgment matters as may be appropriate under
3 court rules or as set forth in this Settlement Agreement.

4 68. Release of Claims by Participating Class Members. In exchange for their
5 Individual Class Payment and/or their Employee PAGA Payment, upon the date that
6 Defendant fully funds the Qualified Settlement Fund, each of the Participating Class
7 Members and each of the Aggrieved Employees release all Released Claims against the
8 Released Parties and waive any further attempt by lawsuit, administrative claim or
9 action, arbitration, demand, or other action of any kind (including participation to any
10 extent in any representative, class, or collective action) by any Class Member or
11 Aggrieved Employee to obtain a recovery based on any Released Claim for any event
12 arising during the respective time periods covered by this Settlement Agreement.

13 69. Release by Plaintiffs. Upon the date the Defendant fully funds the
14 Qualified Settlement Fund, in addition to the claims being released by all Participating
15 Class Members and Aggrieved Employees, Plaintiffs will release and forever discharge
16 the Released Parties, to the fullest extent permitted by law, of and from any and all
17 claims, known and unknown, asserted and not asserted, which Plaintiffs have or may
18 have against the Released Parties as of the date of execution of this Settlement
19 Agreement.

20 70. To the extent the foregoing release is a release to which Section 1542 of
21 the California Civil Code or similar provisions of other applicable law may apply,
22 Plaintiffs expressly waive any and all rights and benefits conferred upon them by the
23 provisions of Section 1542 of the California Civil Code or similar provisions of
24 applicable law which are as follows:

25 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
26 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
27 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
28 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR

1 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
2 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

3 71. Exhibits Incorporated by Reference. The terms of this Settlement
4 Agreement include the terms set forth in any attached Exhibits, which are incorporated
5 by this reference as though fully set forth herein. Any Exhibits to this Settlement
6 Agreement are an integral part of the Settlement.

7 72. Entire Agreement. This Settlement Agreement and any attached Exhibits
8 constitute the entirety of the Parties' settlement terms. No other prior or
9 contemporaneous written or oral agreements may be deemed binding on the Parties.

10 73. Amendment or Modification. No amendment, change, or modification to
11 this Settlement Agreement will be valid unless in writing and signed, either by the
12 Parties or their counsel.

13 74. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
14 warrant and represent they are expressly authorized by the Parties whom they represent
15 to negotiate this Settlement Agreement and to take all appropriate action required or
16 permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate
17 its terms and to execute any other documents required to effectuate the terms of this
18 Settlement Agreement. The Parties and their counsel will cooperate with each other and
19 use their best efforts to effect the implementation of the Settlement. If the Parties are
20 unable to reach agreement on the form or content of any document needed to implement
21 the Settlement, or on any supplemental provisions that may become necessary to
22 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to
23 resolve such disagreement.

24 75. Binding on Successors and Assigns. This Settlement Agreement will be
25 binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto,
26 as previously defined.

27 76. California Law Governs. All terms of this Settlement Agreement and
28 Exhibits hereto will be governed by and interpreted according to the laws of the State of

1 California.

2 77. Execution and Counterparts. This Settlement Agreement is subject only to
3 the execution of all Parties. However, the Settlement Agreement may be executed in
4 one or more counterparts. All executed counterparts and each of them, including
5 electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be
6 deemed to be one and the same instrument.

7 78. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
8 believe this Settlement Agreement is a fair, adequate and reasonable settlement of the
9 Action and have arrived at this Settlement after arm's-length negotiations and in the
10 context of adversarial litigation, taking into account all relevant factors, present and
11 potential. The Parties further acknowledge that they are each represented by competent
12 counsel and that they have had an opportunity to consult with their counsel regarding the
13 fairness and reasonableness of this Settlement.

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

18 80. Waiver of Certain Appeals. The Parties agree to waive appeals and to
19 stipulate to class certification for purposes of this Settlement only; except, however, that
20 Plaintiffs or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs
21 below the amount they request from the Court, and either party may appeal any court
22 order that materially alters the Settlement Agreement's terms.

23 81. Class Action Certification for Settlement Purposes Only. The Parties
24 stipulate to class action certification under California Code of Civil Procedure section
25 382 for purposes of the Settlement only. If, for any reason, the Settlement is not finally
26 approved, the stipulation to certification will be void, the Parties will not so stipulate and
27 no party will be estopped. In that event, Defendant expressly reserve all rights to oppose
28 class certification, and the Parties will revert to their positions prior to provisional

1 certification. The Parties further agree that certification for purposes of the Settlement is
2 not an admission that class action certification is proper under the standards applied to
3 contested certification motions and that this Settlement Agreement will not be
4 admissible in this or any other proceeding as evidence that either (i) a class action should
5 be certified or (ii) Defendant is liable to Plaintiffs or any Class Member, other than
6 according to the Settlement's terms.

7 82. Non-Admission of Liability. The Parties enter into this Settlement to
8 resolve the dispute that has arisen between them and to avoid the burden, expense and
9 risk of continued litigation. In entering into this Settlement, Defendant does not admit,
10 and specifically denies, that it violated any federal, state, or local law; violated any
11 regulations or guidelines promulgated pursuant to any statute or any other applicable
12 laws, regulations or legal requirements; breached any contract; violated or breached any
13 duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
14 conduct with respect to their employees. Neither this Settlement Agreement, nor any of
15 its terms or provisions, nor any of the negotiations connected with it, will be construed as
16 an admission or concession by Defendant of any such violations or failures to comply
17 with any applicable law. Except as necessary in a proceeding to enforce the terms of this
18 Settlement, this Settlement Agreement and its terms and provisions will not be offered or
19 received as evidence in any action or proceeding to establish any liability or admission
20 on the part of Defendant or to establish the existence of any condition constituting a
21 violation of, or a non-compliance with, federal, state, local or other applicable law.

22 83. No Publicity: Except for communications expressly permitted pursuant to
23 this Settlement Agreement (including communications with members of the Settlement
24 Class and Aggrieved Employees and filings required by the Court), the Defendant,
25 Plaintiffs and Class Counsel specifically agree they will not contact any media nor post
26 or disclose in a public manner (including online, web or internet postings, blogs or any
27 other form of public media) the negotiations or details of the Settlement. Defendant,
28 Plaintiffs and Class Counsel may respond to questions from the media only with

1 language that is consistent with the Notice of Class Action Settlement. The San Diego
2 Superior Court shall have the power to enjoin violations of this provision and the
3 prevailing party shall be entitled to its attorneys' fees and costs.

4 84. Waiver. No waiver of any condition or covenant contained in this
5 Settlement Agreement or failure to exercise a right or remedy by any of the Parties
6 hereto will be considered to imply or constitute a further waiver by such party of the
7 same or any other condition, covenant, right or remedy.

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

14 86. Mutual Preparation. The Parties have had a full opportunity to negotiate
15 the terms and conditions of this Settlement Agreement. Accordingly, this Settlement
16 Agreement will not be construed more strictly against one party than another merely by
17 virtue of the fact that it may have been prepared by counsel for one of the Parties, it
18 being recognized that, because of the arms-length negotiations between the Parties, all
19 Parties have contributed to the preparation of this Settlement Agreement.

20 87. Representation By Counsel. The Parties acknowledge that they have been
21 represented by counsel throughout all negotiations that preceded the execution of this
22 Settlement Agreement, and that this Settlement Agreement has been executed with the
23 consent and advice of counsel. Further, Plaintiffs and Class Counsel warrant and
24 represent that there are no liens on the Settlement Agreement.

25 88. All Terms Subject to Final Court Approval. All amounts and procedures
26 described in this Settlement Agreement herein will be subject to final Court approval.

27 89. Cooperation and Execution of Necessary Documents. All Parties will
28 cooperate in good faith and execute all documents to the extent reasonably necessary to

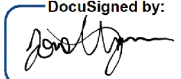
1 effectuate the terms of this Settlement Agreement.

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

8
9
10 **READ CAREFULLY BEFORE SIGNING**

11
12 **PLAINTIFF**

13 Dated: 3/20/2024
14 _____

DocuSigned by:

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Jonathan Jauregui Gutierrez
15

16 **PLAINTIFF**

17
18 Dated: _____

Alfredo Gonzalez
19

20
21 **DEFENDANT PASHA AUTOMOTIVE
22 SERVICES**

23 Dated: _____

Chris Hamlin
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6 notwithstanding any mediation confidentiality provisions that otherwise might apply
7 under federal or state law.

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10 **READ CAREFULLY BEFORE SIGNING**

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12 **PLAINTIFF**

13 Dated: _____

14 Jonathan Jauregui Gutierrez

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16 **PLAINTIFF**

17 Dated: 03/26/2024

18 Alfredo Gonzalez
19 Alfredo Gonzalez (Mar 26, 2024 09:47 PDT)
20 Alfredo Gonzalez

21 **DEFENDANT PASHA AUTOMOTIVE**
22 **SERVICES**

23 Dated: _____

24 Chris Hamlin

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7 under federal or state law.

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10 **READ CAREFULLY BEFORE SIGNING**

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12 **PLAINTIFF**

13 Dated: _____

14 Jonathan Jauregui Gutierrez

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16 **PLAINTIFF**

17 Dated: _____

18 Alfredo Gonzalez

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20
21 **DEFENDANT PASHA AUTOMOTIVE
22 SERVICES**

23 Dated: 3/29/24

24 
Chris Hamlin

APPROVED AS TO FORM

BRADLEY/GROMBACHER, LLP

Dated:

3/20/24

By:

Marcus J. Bradley

Attorneys for Plaintiff Jonathan Jauregui
Gutierrez

HAINES LAW GROUP, APC

Dated:

By:

Paul K. Haines

Attorneys for Plaintiff Alfredo Gonzalez

SEYFARTH SHAW LLP

Dated:

By:

Clifford Sethness

Christopher A. Crosman

Attorneys for Defendant PASHA
AUTOMOTIVE SERVICES

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APPROVED AS TO FORM

BRADLEY/GROMBACHER, LLP

Dated: _____

By: _____

Marcus J. Bradley

Attorneys for Plaintiff Jonathan Jauregui
Gutierrez

HAINES LAW GROUP, APC

Dated: 03/26/2024

By:  _____

Paul K. Haines

Attorneys for Plaintiff Alfredo Gonzalez

SEYFARTH SHAW LLP

Dated: _____

By: _____

Clifford Sethness

Christopher A. Crosman

Attorneys for Defendant PASHA
AUTOMOTIVE SERVICES

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APPROVED AS TO FORM

BRADLEY/GROMBACHER, LLP

Dated: _____

By: _____

Marcus J. Bradley

Attorneys for Plaintiff Jonathan Jauregui
Gutierrez

HAINES LAW GROUP, APC

Dated: _____

By: _____

Paul K. Haines

Attorneys for Plaintiff Alfredo Gonzalez

SEYFARTH SHAW LLP

Dated: April 1, 2024

By:  _____

Clifford Sethness

Christopher A. Crosman

Attorneys for Defendant PASHA
AUTOMOTIVE SERVICES

EXHIBIT A

Jonathan Jauregui Gutierrez and Alfredo Gonzalez v. Pasha Automotive Services
San Diego Superior Court Case No. 37-2021-00011967-CU-OE-CTL
NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All individuals employed by Pasha Automotive Services as non-exempt, hourly workers in California from March 17, 2017 through February 23, 2024 (“Class Members”).

All individuals employed by Pasha Automotive Services as non-exempt, hourly workers in California from March 17, 2020 through February 23, 2024 (“Aggrieved Employees”).

On [REDACTED], the Honorable Katherine Bacal of the Superior Court of California, County of San Diego, granted preliminary approval of this class action settlement (“Settlement”) and ordered the litigants to notify all Class Members of the Settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the Settlement.**

Unless you choose to exclude yourself from the Settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. If you are also an Aggrieved Employee, you will be mailed a check for your share of the settlement fund allocated to Aggrieved Employees, even if you choose to exclude yourself from the class action portion of the Settlement. The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED] :00 .m. on [REDACTED], 2024 in Department 69 of the Superior Court of California, County of San Diego, located at 330 West Broadway, San Diego, CA 92101. You are not required to attend the Hearing, but you are welcome to do so.

Summary of the Litigation

Plaintiffs Jonathan Jauregui Gutierrez and Alfredo Gonzalez, on their behalf and on behalf of other current and former employees, allege that Defendant Pasha Automotive Services (“Defendant”) violated the California Labor Code as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal breaks; (3) timely pay all wages owed to employees upon termination of their employment; and (4) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. The parties participated in a mediation with Jeff Ross, an experienced and well-respected class action mediator. With the mediator’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Bradley/Grombacher, LLP, and Haines Law Group, APC, (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed Settlement is fair, adequate, reasonable, and in the best interests of Class Members and Aggrieved Employees.

Defendant has denied, and continues to deny, the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendant have agreed to settle the underlying claims in exchange for a Settlement Amount of \$1,500,000. This amount is inclusive of: (1) Individual Class Payments to all Participating Class Members; (2) payments to Aggrieved Employees pursuant to the Private Attorneys General Act (“PAGA”), in the total amount of \$5,000 (“PAGA Fund”); (3) Payment to the Labor and Workforce Development Agency pursuant to PAGA, in the amount of \$15,000; (4) Class Representative Service Awards of \$10,000 each to Plaintiffs Jonathan Jauregui Gutierrez and Alfredo Gonzalez, for their services on behalf of the class; (5) \$500,000 in attorneys’ fees and up to \$60,000 in litigation costs and expenses; and (6) reasonable Settlement Administrator’s fees and expenses, currently estimated at \$[],000. After deducting the payments to be made pursuant to PAGA, Class Representative Service Awards, attorneys’ fees and costs, and the Settlement Administrator’s fees and expenses, a total of approximately \$[],000 will be allocated to Class Members who do not opt out of the settlement (“Net Settlement Amount”).

Settlement payments will be based on the following:

(1) Individual Class Payments to Class Members will be calculated and apportioned from the Net Settlement Amount. Specific calculations of Individual Class Payments will be made as follows:

- (a) Defendant will calculate the total number of Workweeks worked by each Class Member during the Class Period (March 17, 2017 through February 23, 2024) and the aggregate total number of Workweeks worked by all Class Members during the Class Period.
- (b) To determine each Class Member’s estimated Class Payment, the Settlement Administrator will use the following formula: the Net Settlement Amount will be divided by the aggregate total number of Workweeks, resulting in the “Class Workweek Value.” Each Class Member’s Individual Class Payment will be calculated by multiplying each individual Class Member’s total number of Workweeks by the Class Workweek Value.
- (c) The Individual Class Payments will be reduced by any required deductions for each Participating Class Member, including employee-side tax withholdings or deductions.

The entire Net Settlement Amount will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion (“Participating Class Members”). If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Class Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Participating Class Members equals 100% of the Net Settlement Amount.

According to Defendant’s records, you worked for Defendant in California as a non-exempt employee during the period from March 17, 2017 through February 23, 2024 for a total of [] Workweeks, and therefore will receive an Individual Class Payment. Your Individual Class Payment is estimated at \$[].

(2) Payments to Aggrieved Employees from the PAGA Fund will be distributed to all Aggrieved Employees, regardless of whether any Aggrieved Employee has opted out of the class action settlement. Such Employee PAGA Payments will be calculated as follows:

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

(a) Defendant will calculate the total number of Pay Periods worked by each Aggrieved Employee during the PAGA Period (March 17, 2020 through February 23, 2024) and the aggregate total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period.

(b) To determine each Aggrieved Employee's Employee PAGA Payment, the Settlement Administrator will use the following formula: 25% of the PAGA Fund will be divided by the aggregate total number of Pay Periods, resulting in the "Pay Period Value." Each Aggrieved Employee's Employee PAGA Payment will be calculated by multiplying each Aggrieved Employee's total number of Pay Periods by the Pay Period Value. Each Aggrieved Employee will be credited with at least one Pay Period.

According to Defendant's records, you [did] [did not] work for Defendant in California during the period from March 17, 2020 through February 23, 2024 [for a total of [] Pay Periods]. [Your Employee PAGA Payment is estimated at \$ []][You are therefore not entitled to any Employee PAGA Payment].

Disputes: If you believe the information provided above is incorrect, please contact the Settlement Administrator at []. If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Funds represented by Individual Class Payment and Employee PAGA Payment checks either returned as undeliverable, or remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be paid to Legal Aid at Work, a nonprofit organization. In that event, the Participating Class Member and/or Aggrieved Employee will nevertheless be bound by the terms and releases of this Settlement.

IRS Forms W-2 and 1099 will be distributed to participating Class Members and Aggrieved Employees and the appropriate taxing authorities reflecting the payments they receive under the Settlement. Class Members and Aggrieved Employees should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 30% of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued, and 70% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. All Employee PAGA Payments to Aggrieved Employees will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the Settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the following claims ("Released Claims"): (1) All claims, rights, demands, liabilities, and causes of action alleged in any of the LWDA notice letters and Complaints filed by Plaintiffs in the Action, including but not limited to claims based upon Labor Code sections 200-203, 206, 210, 218.6, 226, 226.3, 226.7, 510, 512, 1174, 1194, 1194.2 1197, 1197.1, 1198, 2698, 2699, 6720; (2) Failure to Pay Wages, including Overtime; (3) Failure to Provide Meal Periods; (4) Failure to Provide Compliant Wage Statements; (5) Failure to Pay Wages Upon Termination; (6) Unfair Business Practices pursuant to Business & Professions Code Sections 17200, et seq.; and (7) all such claims arising from the applicable Wage Order(s), throughout the Class Period.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Option 2 – Opt Out of the Settlement Class

If you do not wish to be a member of the Settlement Class, you may exclude yourself by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, and desire to be excluded from the Settlement Class. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Gutierrez and Gonzalez v. Pasha Automotive Services Settlement
c/o ILYM GROUP, Inc.
[Redacted]
[Redacted]

The written request for exclusion must be postmarked or faxed not later than [Redacted], 2024. If you submit a request for exclusion which is not postmarked or faxed by [Redacted], 2024, your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member, and you will (1) be barred from participating in the Settlement Class, but you will not be deemed to have released the Released Claims (other than PAGA claims), (2) be barred from filing an objection to the Settlement, and (3) not receive payments made to Settlement Class Members. Note that individual Settlement Class Members who are also Aggrieved Employees cannot opt out of the PAGA portion of the Settlement, and will be mailed an Employee PAGA Payment, and release all PAGA claims, regardless of whether the Aggrieved Employee has opted out of the Settlement Class.

Option 3 – Object to the Settlement

If you decide to object to the Settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the Settlement, or you may instead appear at the Final Approval Hearing.

Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Final Approval Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by [Redacted] 2024. Late objections will not be considered. By submitting an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above. **Please note that you cannot both object to the Settlement and exclude yourself.** You must choose one option only.

You may also, if you wish, appear at the Final Approval Hearing set for [Redacted] at [Redacted] a.m./p.m. in Department 69 of the Superior Court of California, County of San Diego and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. If the Court overrules your objection, you will be deemed to have released the Released Claims.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the Settlement. For a more detailed statement of the matters involved in the case and the Settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members or Aggrieved Employees regarding this Class Notice and/or the Settlement should be directed to the Settlement Administrator or Class Counsel. Class Counsel can be contacted at:

Marcus J. Bradley
Bradley/Grombacher, LLP
31365 Oak Crest Dr., Suite 240
Westlake Village, CA 91361
Phone: 1 (805) 270-7100

Paul Haines
Haines Law Group, APC
2155 Campus Dr., Suite 180
El Segundo, CA 90245
Phone: 1 (424) 292-2350

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-***-***-****