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13 individually and on behalf of all others similarly situated

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

16 JESUS LOPEZ, individually and on behalf of
17 all others similarly situated,

18 Plaintiff,

19 v.

20 ECOLOGY AUTO PARTS INC., a California
21 Corporation; and DOES 1-50, inclusive,

22 Defendants.

Case No. 21STCV15403
ASSIGNED FOR ALL PURPOSES TO:
JUDGE: Hon. Elihu M. Berle
DEPT: 6

**DECLARATION OF JAMES HAWKINS IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT; MEMORANDUM
OF POINTS AND AUTHORITIES**

Date: May 04, 2023
Time: 9:00 a.m.
Dept.: 6

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I, James Hawkins, declare as follows:

1. I am an individual over the age of 18. I am a partner at the law firm of James Hawkins, APLC. I am one of the attorneys of record for Plaintiff JESUS LOPEZ (hereinafter referred to as “Plaintiff” or “Class Representative”), who commenced this class and PAGA action on behalf of the Class Members and Aggrieved Employees. I submit this declaration in support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, which Plaintiff filed concurrently herewith, along with the supporting Memorandum of Points and Authorities. I have personal knowledge of the facts set forth below, and if called to testify regarding them, I could and would do so competently.

2. Attached hereto as **Exhibit 1** is a true and correct copy of the executed Settlement Agreement which the Parties ask the Court to approve. Attached as **Exhibit A** to the Settlement Agreement is a true and correct copy of the Notice of Proposed Class and Representative Action Settlement (“Class Notice”).

3. Plaintiff filed this action on April 22, 2021, alleging that Defendant violated various provisions of the California Labor Code and seeking restitution pursuant to the California Business and Professions Code section 17200, et seq. Plaintiff’s action was entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV15403 (the “Class Action”). (Hawkins Decl.

4. On April 22, 2021, Plaintiff provided notice to the LWDA. On June 28, 2021, Plaintiff filed his representative action complaint under the Private Attorneys General Act (“PAGA”), entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV23780 (the “PAGA Action”) (collectively, the Class Action and PAGA Action are the “Lawsuits”).

5. Specifically, Plaintiff’s Lawsuits seek damages and penalties for Defendant’s alleged failure to: failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, failure to reimburse expenses, and any other claims

5. Specifically, Plaintiff's Lawsuits seek damages and penalties for Defendant's alleged failure to: failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, failure to reimburse expenses, and any other claims

1 whatsoever that were or could have been alleged in this case based on the facts of the complaints,
2 including all related claims for restitution and other equitable relief under Business and Professions
3 Code section 17200, liquidated damages, waiting-time penalties, and penalties under the Labor
4 Code Private Attorneys General Act of 2004. On or about January 12, 2023, Plaintiffs served an
5 amended notice to the LWDA with a proposed amended complaint. Plaintiff intends to file the
6 amended consolidated complaint via stipulation before the May 4, 2023 hearing so all matters are
7 before this court.

8 6. On September 22, 2022, the Parties engaged in private mediation with a well-
9 respected wage and hour class action mediator, Lou Marlin, Esq. Prior to mediation, Plaintiff
10 requested and Defendant produced extensive documentation including time and pay data for 10%
11 of the putative class, policy documents, class size information, information on the number of pay
12 periods and workweeks, and information regarding the hourly rates and workweek. In short,
13 Defendant provided informal discovery sufficient to enable the Plaintiff and Class Counsel to
14 rigorously evaluate the strengths, weaknesses, and risks of the case and perform an analysis of the
15 potential damages arising from the claims made in this case. At all times, the Parties' negotiations
16 were adversarial and non-collusive.

17 7. As a result of settlement efforts mentioned above, the Parties agreed to resolve this
18 matter for the Total Settlement Amount of \$1,000,000.00 for approximately 377 class members and
19 the terms of which are fully memorialized in the Settlement Agreement. The settlement was
20 negotiated at arms-length and is not collusive. From Class Counsel's review of the facts, strengths,
21 and weaknesses of the case, the risks and delays posed by further litigation, and Class Counsel's
22 prior litigation experience, Class Counsel believe that recovery for each Class Member is fair and
23 reasonable.

24 8. The Class is defined as all current and former non-exempt employees employed by
25 Defendant in California or continuing to be employed by Defendant in California between April 22,
26 2017 and the earlier of December 31, 2022 or the date of preliminary approval of this settlement.
27 Defendant estimated for purposes of mediation that there are: 35,916 workweeks worked by 377
28 Class Members as of September 16, 2022. "PAGA Settlement Group Member" or "Aggrieved

Employee”)” refers to all Class Members employed by Defendant April 22, 2020 to the earlier of preliminary approval or December 31, 2022. Each PAGA Settlement Group Member will be paid an Individual PAGA Payment. “PAGA Period” shall mean April 22, 2020, to the earlier of preliminary approval or December 31, 2022. (There are approximately 377 Class Members.

9. Plaintiff’s Counsel conducted a thorough investigation into the factual and legal issues implicated by Plaintiff’s claims and was able to objectively assess the settlement’s reasonableness. For example, prior to filing the action, Plaintiff contacted Plaintiff’s Counsel to discuss the factual bases for pursuing their actions against Defendant for Labor Code violations. Plaintiff was intimately familiar with Defendant’s labor policies and practices, and over the course of multiple interviews, knowledgeably summarized those policies and practices to Plaintiff’s Counsel. During those conversations, Plaintiff’s Counsel explained how the policies and practices were instituted and provided valuable insight into how they gave rise to the alleged Labor Code violations. Further, formal business records for Mr. Lopez were requested and received and reviewed. Based on these interviews with Plaintiff, and review of records, Plaintiff’s Counsel determined that there were legally sufficient grounds for pursuing the Actions against Defendant and in preparation for drafting the complaints, Plaintiff’s Counsel conducted their own independent preliminary investigations into the factual bases for Plaintiff’s claims, which entailed, *inter alia*, a careful examination of Plaintiffs’ personnel files and associated records.

10. In summary, Plaintiff’s Counsel performed a thorough investigation into the claims at issue, which included: (1) determining Plaintiff’s suitability as private attorneys general and class representative through interviews, background investigations, and analyses of the employment files and related records; (2) evaluating all of Plaintiff’s potential representative claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions, and the type of employer; (4) analyzing employees’ time and wage records and driver manifest; (5) reviewing Defendant’s employment policies and practices; (6) researching settlements in similar cases and the prior settlement in this case; (7) evaluating Plaintiff’s claims and estimating Defendant’s liability for purposes of settlement; (8) drafting the mediation brief; and (9) participating in the mediation.

11. By engaging in such a thorough investigation and evaluation of Plaintiff’s claims,

1 Plaintiff's Counsel can opine that the Settlement, for the consideration and on the terms set forth in
2 the Settlement Agreement, is fair, reasonable, an adequate, and is in the best interests of Class
3 Members in light of all known facts and circumstances, including the risk of significant delay and
4 uncertainty associated with litigation, and various defenses asserted by Defendant.

5 12. Defendant denies any wrongdoing and deny liability with respect to the matters
6 alleged in the Complaint and believe that they have valid defenses to all of Plaintiff's claims.
7 Defendant further contends that they complied with all wage and hour laws applicable to the
8 employment of Plaintiff and other Class Members. To date, no class has been certified and no
9 court has made any findings that Defendant engaged in any wrongdoing or in any wrongful
10 conduct, or otherwise acted improperly or in violation of any law, rule or regulation with respect
11 to any of the issues presented in this action.

12 13. Since the filing of the complaint, the Parties have exchanged extensive
13 informal discovery and engaged in numerous discussions regarding the factual and legal issues
14 surrounding this case. Throughout the litigation, Defendant produced thousands of pages of
15 information and thousands of lines of data, The Parties have conducted themselves in informed,
16 good faith arms-length negotiations after conducting discovery and exchanging extensive evidence
17 and information about the claims and defenses of this lawsuit through informal discovery, and
18 engaging in pre-mediation discussions, telephone conferences, and correspondence all aimed at
19 settling their dispute.

20 14. In preparation for the mediation, Plaintiff reviewed the entire discovery and
21 information produced. The information had to be extrapolated and processed to figure out the
22 amount of compensation Plaintiff contends are due to the Class. The evidence and information
23 gathered and reviewed by counsel provided a factual framework for a comprehensible and reliable
24 damage model pertaining to all Settlement Class Members. The mediation included discussions
25 and examination of the proposed Classes and the Parties' respective positions on the legal and
26 factual issues raised in the Complaint.

27 15. Plaintiff's counsel balanced the terms of the proposed Settlement against the risk of
28

1 litigation and probable outcome at the class certification stage, and if any Class were certified, at
2 trial. Based on their own respective independent investigations and evaluations, and after taking
3 into account the sharply disputed factual and legal issues involved in this matter, the risks attending
4 further prosecution of the case, and the monetary benefits received under the Settlement despite the
5 questionable nature of the claims, Plaintiff's counsel is of the opinion that Settlement for the
6 consideration and on the terms set forth in the Settlement Agreement is fair, reasonable and adequate
7 and is in the best interests of Plaintiff and the Class. Counsel for the Parties investigated the
8 applicable law as applied to the facts discovered regarding the claims of Plaintiff, Defendant's
9 defenses thereto and the damages claimed by Plaintiffs on behalf of the Settlement Class.

10 16. I believe that the consideration and terms set forth in the Settlement Agreement are
11 fair, reasonable, and adequate and are in the best interests of the Settlement Classes in light of all
12 known facts and circumstances, including the various defenses asserted by Defendant, and
13 numerous potential appellate issues. In addition, the prospect of a potential adverse summary
14 judgment ruling, as well as the uncertainty of class certification, the difficulties of complex
15 litigation, the lengthy process of establishing specific damages and various possible delays and
16 appeals, were also carefully considered in agreeing to the proposed Settlement.

17 17. The TSA includes, subject to Court approval, (1) attorneys' fees in the amount of
18 \$333,333.33 and reimbursement of reasonable litigation costs and expenses in the amount of up to
19 \$25,000.00¹ to Class Counsel ("Attorneys' Fees and Costs"); (2) enhancement award to Plaintiff in
20 the amount of up to \$10,000.00 ("Enhancement Award"); (3) fees and expenses of administration
21 of the Settlement to the Settlement Administrator in an amount not to exceed \$10,000.00
22 ("Settlement Administration Costs"); (4) \$50,000.00 to PAGA with twenty-five percent (25%) share
23 of the PAGA Penalties to be distributed to the PAGA Group in the amount of \$12,500.00; and (5)
24 the seventy-five percent (75%) share of PAGA Penalties ("LWDA Payment") in the amount of
25 \$37,500.00 to the California Labor and Workforce Development Agency ("LWDA"). **The Entire**
26 **Total Settlement Amount will be paid to all Class Members who do not opt out of the**
27

28 ¹ Class Counsel's costs to date are approximately \$12,000.00 so the Net Settlement
Amount will likely be increased by approximately \$13,000.00.

1 **Settlement Class, and without the need to submit claims for payment.** After deductions, the Net
2 Settlement Amount (“NSA”) is estimated to be approximately **\$584,166.67**. The Class Members
3 are to be paid based from the NSA on a pro rata basis based upon the weeks each class member
4 worked in comparison to the total work weeks worked by all Class Members.

5 18. Fairness of the Settlement is demonstrated by the uncertainty and risks to Plaintiff
6 involved both in not prevailing on one or more of the causes of action or theories alleged in the
7 operative Complaints and in non-certification, and if successful, Defendant disputes the ability of
8 Plaintiff to certify a class in this case. Defendant also argued it maintained lawful written policies
9 that were provided to the class members and enforced those policies. Yet, despite the defenses
10 proffered by Defendant, the proposed Settlement commits Defendant to pay each Class Member a
11 portion of the NSA. The amount to be paid to the Classes is fair, adequate and reasonable given
12 the significant risk to Plaintiff and the Class in continuing with the litigation and not prevailing on
13 their claims at class certification or at trial or not being paid anything even if trial was successful.

14 19. The predominant claims in this action arise from alleged violations of California
15 law with respect to Defendant’s failure to pay all wages due and owing due its rounding practices
16 resulting in work considered off the clock and unpaid, failure to provide meal periods failing to
17 pay all wages earned, and wage statement violations. Plaintiff alleges that these practices resulted
18 directly from the implementation and enforcement of Defendant’s own policies and practices.

19 20. Defendant’s time keeping records, payroll records, and review other relevant data
20 points, were analyzed to come up with a damage model to determine Defendant’s exposure for the
21 classes.

22 21. The rounding and off the clock claims coupled with the meal break, and wage
23 statement claims arguably provided the stronger claims. The resultant Labor Code section 203 and
24 226 claims were uncertain given the defenses asserted for the underlying claims and the underlying
25 apparent compliant policies, which provided for an argument against the “willfulness” prong
26 necessary for a Labor Code §203 claim. Class Counsel recognized the risks of an adverse finding
27 on certification as to all these claims.

28 22. The wage claims for off the clock and rounding were also in question as Defendant

1 argued its employees were not working and free from Defendant's control during the rounded
2 time/off the clock time and employees were free to do what they wanted during the alleged rounded
3 time. Defendant also argued it did not require employees to clock in early. Plaintiff maintained the
4 rounding policy was unlawful and the Class Members should have been compensated for the tim
5 they clocked in, not just paid for the start and end of their shift work shift.

6 23. With regards to meal breaks, Defendant argued class members took their meal and
7 rest breaks as evidenced by high record compliance rates, and that class members did not work any
8 hours for which they were not paid. The records revealed approximately 98.4% of class members
9 recorded a meal for shifts greater than 5 hours. Further, the relevant policies dating back to June 5,
10 2017 provided for rest breaks and meal periods in accordance with California law. However,
11 Defendant did not implement a meal period premium payment policy until May of 2022. These
12 arguments, coupled with the time and pay records, along with the written policies, potentially
13 created issues for certification and ultimately damages for these claims and the related statutory
14 penalties.

15 24. As for record keeping violations, Defendant produced time and pay records
16 demonstrating its compliance with record keeping requirements although arguably not necessarily
17 accurate.

18 25. Although Plaintiff's Counsel believe the class claims are strong, Plaintiff's Counsel
19 also recognize that if the litigation had continued, they may well have encountered significant legal
20 and factual hurdles that could have prevented the Class from obtaining any recovery. To be sure, a
21 number of cases have found wage and hours actions to be especially amenable to class resolution.
22 However, some courts have gone the other way, finding that some of the very claims at issue here-
23 especially meal period and rest period violations-were not suitable for class adjudication because
24 they raised too many individualized issues. *See Duran v. US. Bank National Association*, 59 Cal.
25 4th 1, 31 (2014) (reversing a verdict from a class trial); *Ali v. US.A. Cab Ltd.*, 176 Cal. App. 4th
26 1333, 1341 (2009) (affirming denial of certification because employees' declarations attesting to
27 having taken meal and rest periods demonstrated that individualized inquiries were required to show
28 harm); *Campbell v. Best Buy Stores, L.P.*, 2013 U.S. Dist. LEXIS 137792, at *30- 41 (C.D. Cal.

1 Sept. 20, 2013) (following *Brinker* and denying certification of proposed off-the-clock and rest and
2 meal break classes due to lack of uniform policy); *Jimenez v. Allstate Ins. Co.*, 2012 U.S. Dist.
3 LEXIS 65328 (C.D. Cal. Apr. 18, 2012) (denying motion to certify meal and rest period classes
4 based on employer's practice of understaffing and overworking employees); *Gonzalez v. Officemax*
5 *NA.*, 2012 U.S. Dist. LEXIS 163853 (C.D. Cal. Nov. 5, 2012) (same); *Brown v. Fed. Express Corp.*,
6 249 F.R.D.580, 587-88 (C.D. Cal. 2008) (denying certification of driver meal and rest period claims
7 based on the predominance of individual issues); *Kenny v. Supercuts, Inc.*, 252 F.R.D. 64 I, 645
8 (N.D. Cal. 2008) (denying certification on meal periods claim); *Blackwell v. Skywest Airlines, Inc.*
9 , 245 F.R.D. 453, 467- 68 (S.D. Cal. 2007) (declining to certify class action because individual
10 issues predominated when different employee stations provided different practices with respect to
11 meal periods).

12 26. Some courts have denied certification even when an employer's policies are unlawful
13 on their face. For instance, in *Ordonez v. Radio Shack, Inc.*, 20 1 3 U.S. Dist. LEXIS 7868, *35-4 1
14 (C.D. Cal. Jan. 17, 201 3), the court denied certification even though the plaintiff submitted evidence
15 of a facially unlawful policy regarding rest breaks. The *Ordonez* court concluded that the
16 predominance and superiority elements were not met based on the employer's presentation of
17 anecdotal evidence of lawful compliance notwithstanding the unlawful policy. *Id.* at *38-40. And it
18 should be underscored that that claims which are amendable to certification can be disposed of by
19 motion for summary judgment. *See Loudv. Eden Med. Ctr.*, 2013 U.S. Dist. LEXIS 122873, **36-
20 53 (N.D. Cal. Aug. 28, 2013) (granting summary judgment on wage statement claim because
21 plaintiff could not show injury due to defects and that incorrect wage information is not willful).

22 27. As the above examples illustrate, the prospect of certifying a wage and hour action
23 is always uncertain, and the risk of being denied class certification militates in favor of settlement.
24 A denial of class certification effectively forecloses continued litigation, as neither the individual
25 nor his or her attorney will have any incentive to proceed with an individual case when such small
26 claims are at stake. *See In re Baycol Cases I & II*, 5 1 Cal. 4th 75 1 , 758 (2011) (explaining that a
27 dismissal of class claims is effectively the "death knell" of the case, despite survival of individual
28 claims). In other words, for cases where individual damages are relatively small, denial of class

1 certification results in a near-complete loss for Plaintiffs as well as no recovery for the employees,
2 who are shut out of the action. Thus, if the putative Class had not been certified, the value of
3 Plaintiffs' case would have been reduced to a fraction of the value of this Settlement; indeed,
4 Defendant would likely have offered no money to settle the class-wide claims if certification had
5 been denied.

6 28. Finally, early resolutions save time and money that would otherwise go to litigation.
7 Parties' resources, as well as the Court's, will be further taxed by continued litigation. And if this
8 action had settled following additional litigation, the settlement amount would likely have taken into
9 account the additional costs incurred, and there may have been less available for Class Members.
10 Cost savings is one reason why California policy strongly favors early settlement. *See Nemy v.*
11 *Regents of University of California*, 3 Cal. 4th 273, 277 (1992) (explaining the high value placed on
12 settlements and observing that "[s]ettlement is perhaps most efficient the earlier the settlement
13 comes in the litigation continuum."). This concern also supports settlement.

14 29. Further, beyond the risk of an adverse ruling on the merits or certification, Class
15 Counsel considered the fact that continued litigation would likely take years and would be extremely
16 expensive given the breadth and complexity of the claims. In this case, post-trial and appellate
17 proceedings are likely to occur, which will surely drag the case far into the future even with a
18 positive trial result. When facing a distant and unsure resolution of the allegations in this action, the
19 swift, sure and substantial Settlement is all the more reasonable. Avoiding such costly litigation in
20 favor of more immediate benefits to the Class was a consideration favoring settlement. Given these
21 realities, it is highly likely that the future expense of this litigation, and its likely duration if the
22 settlement is not approved, would be significant and weigh heavily in favor of approval of this
23 settlement.

24 30. The TSA is well within the acceptable range of reasonableness for the claims
25 of the Settlement Class Members. After analysis and review of Defendant's time and pay record
26 production and other payroll data, Class counsel estimates the overall value of the claims at
27 approximately **\$4,651,035** should Plaintiff prevail at the class certification stage, at trial and win on
28 all claims and be awarded maximum damages for all class members and certain assumptions and

1 extrapolations were confirmed with further discovery. This amount was reduced by a reasonable
2 50% to **\$2,325,517** to account for the risks of continued litigation and not prevailing on one or more
3 claims and the Court not awarding penalties based upon Defendant's good faith arguments. Indeed,
4 Defendant's apparent compliant policies could potentially support Defendant's good faith and lack
5 of willfulness arguments, where for example LC 203, 226 and PAGA claims could be reduced to
6 zero, which accounts for approximately 60% of the total damages discussed herein.

7 31. There are an estimated 35,916 workweeks during the class period and
8 approximately 16,000 pay periods during the PAGA Period. The value of the failure to pay wages
9 and overtime due to off the combined clock and rounding claims was valued at approximately
10 **\$1,143,206.00** calculated as follows: 1 hour per workweek x \$31.83 weighted average OT rate x
11 35,916 workweeks. Plaintiff also analyzed the payment of a bonus and the regular rate issue for
12 overtime calculation purposes. This amounted to approximately **\$6,550** in underpayment due to
13 the regular rate issue as only a small fraction of individuals received extra compensation in the
14 form of a bonus and or were eligible for overtime when extra compensation as earned. The records
15 revealed that there was an Approximately 98.4% of qualifying shifts had recorded meal breaks.
16 Approximately 5,387 of these shifts recorded late meal break and did not pay any meal break
17 premiums. As a result, the records revealed a meal period violation premiums owed to class
18 members in the amount of **\$108,933 for meal periods** (\$20.22 avg. regular rate x 5,387 work
19 shifts with meal break violations and no meal period premiums paid). The wage statement claim
20 was valued at approximately **\$816,000.00** to account for the approximately 15,909 wage
21 statements during the 1 year period using the \$50/\$100 with 4,000 max penalty. Defendant also
22 potentially owes to class members **\$976,346 in waiting time penalties** (for a total of 193 termed
23 employees). Defendant also potentially owes to class members **\$1,600,000 in PAGA penalties**
24 (16,000 pay periods x reasonable \$100 penalty). FLSA provides for liquidated damages. If
25 liquidated damages were awarded, then a reasonable assessed value of FLSA would be double the
26 failure to pay wages claim. However, given the good faith defenses presented, it is likely the
27 FLSA liquidated damages would be greatly reduced given the evidence. Lastly, the rest break
28 claim was provided little to no value based on the written policies in place and the high rate of

1 compliance with meal periods. Further, the LC 2802 claim lacked merit as company vehicles were
2 provide when employees had to travel to other company or client locations.

3 32. As a result, the TSA of \$1,000,000.00 represents a reasonable recovery and
4 approximately 43% of the overall potential value on the high side and 21% of the overall potential
5 value on the low side. This settlement percentage of recovery could easily be much higher if at trial
6 PAGA penalties were reduced or damages for certain pay periods or workweeks could not be proven
7 for certain individuals. The proposed TSA is within the “ballpark of reasonableness” and should be
8 approved. Counsel for Plaintiffs believe that this is a fair and reasonable Settlement in light of the
9 complexities of the case, the state of the law and uncertainties of class certification and litigation,
10 the policies and practices Defendant has had in place or implemented during the purported liability
11 period, and the benefit to be recovered for the Class. Given the risks inherent in litigation, this
12 settlement is fair, adequate, and reasonable and is in the best interests of the Settlement Class, and
13 should be preliminarily approved.

14 33. Based on the estimated Net Settlement Amount of \$584,166.67 provides on average
15 each Settlement Class Member with approximately **\$1,549** per Class Member. The highest amount
16 a Settlement Class Member will receive is approximately **\$4,574.04** based upon \$16.22 per
17 workweek multiplied by approximately 282 maximum workweeks in the during the Class Period.
18 The lowest payment is estimated to be approximately **\$16.22** for someone who worked only one
19 workweek. To the extent any amount for Attorneys’ Fees, Costs, Claims Administration Costs or
20 Incentives are not awarded, the difference in those amounts will be added to the NSA. This is a
21 guaranteed amount of money paid to Settlement Class Members now, rather than the continued
22 risk of further litigation and receiving no money sometime in the far future and after trial and
23 appeals.

24 34. The PAGA members who worked during the PAGA period will be paid a PAGA
25 Payment based upon a pro rata share of the number of pay periods each PAGA member worked
26 compared to the total pay periods worked by all PAGA group members during the PAGA period of
27 April 22, 2020 through December 31, 2022. As a result, there are approximately 16,000 PAGA Pay
28 Periods providing a value of approximately \$44 per PAGA member.

1 35. The Class Representative has provided extensive supporting documents and assisted
2 Class Counsel in developing information necessary to litigate and settle this case. Plaintiff also
3 conducted record review and consultation with counsel in preparation for mediation, and to assist
4 in evaluating and proving the claims. The settlement provides for a Payment to be paid to the Class
5 Representative in the amount of \$10,000.00 subject to Court approval. The purpose is to
6 compensate the Class Representatives an additional incentive or enhancement payment, taking into
7 consideration the risks, time, effort and expenses incurred in coming forward to provide invaluable
8 information and negotiate and litigate this matter on behalf of all Settlement Class Members who
9 otherwise, would probably not file their own individual claims to recover what may be relatively
10 low damages. Further, the Payment of \$10,000.00 as an Enhancement Award to the Class
11 Representative is a very fair and justified as part of the Settlement based on the risks Plaintiff has
12 taken and benefits conferred upon the Settlement Class.

13 36. Class certification, as requested by the Parties for the purposes of the settlement
14 only, should be granted because Plaintiff allege that the proposed Settlement Class Members' claims
15 all stem from the same alleged conduct, i.e., that Defendant violated California law because they:
16 (1) failed to pay wages including minimum and overtime wages, (2) failure to provide meal periods,
17 (3) failed to provide rest periods, (4) failed to timely pay wages upon termination pursuant to Labor
18 Code § 203, (5) failed to provide accurate itemized wage statements; (6) failure to reimburse
19 expenses; and (7) violation of the UCL. In addition to compensatory damages, Plaintiff and the
20 Settlement Class seek attorneys' fees, costs, and interest. Under these specific circumstances, the
21 commonality requirement for class certification is satisfied. The typicality requirement for
22 certification is also met as it is alleged that the Class Representatives and the proposed Settlement
23 Class were subjected to similar violations based upon similar conduct, policies and practices of the
24 Defendant regardless of their duties.

25 37. The adequacy requirement for certification is also met. The Class Representative
26 and Class Counsel have prosecuted this action vigorously on behalf of the Settlement Class. The
27 Class Representative will receive a reasonable award for the time and effort spent assisting Class
28 counsel with factual issues surrounding the case. Other than this specific payment to the Class

1 Representative, all of the Settlement Class Members will receive a proportionate share of the NSA,
2 as detailed above provided they do not exclude themselves. Further, all PAGA Members during the
3 PAGA Period will receive their pro rata share of PAGA Penalties. As a result, there is no conflict
4 of interest between the Class Representative and the Settlement Class Members. Further, the NSA
5 will be fairly distributed among Participating Class Members, and no “settlement allocation”
6 questions will be raised.

7 38. Common questions of law and fact predominate over individual questions and
8 class-wide treatment of this dispute is superior to individual litigation. Plaintiff alleges that the
9 proposed Settlement Classes in this case are sufficiently cohesive, since all Settlement Class
10 Members share a common nucleus of facts and potential legal remedies, and since all of the
11 Settlement Class Members and the Class Representative seek compensation for unpaid wages and
12 other civil and statutory penalties from Defendant for the allegations described in the Complaints.
13 Common questions about compensation or lack thereof for work performed by Settlement Class
14 Members and the Settlement Class Members’ potential legal remedies are identical. The alternative
15 method of resolution is individual claims for relatively small amounts of damages, but individual
16 cases would be uneconomical for potential plaintiffs because the cost of litigation dwarfs potential
17 recovery. Therefore, a class action is the preferred method of resolution.

18 39. The class notice plan here calls for the Settlement ILYM Group, Inc., to mail a
19 Notice of Proposed Class and Representative Action Settlement to all known and reasonably
20 ascertainable Settlement Class Members based on Defendant’s records. Further, the Settlement
21 Administrator will conduct a skip-trace and use all reasonable efforts to locate Settlement Class
22 Members and will re-mail all returned envelopes with forwarding addresses. The notice is consistent
23 with the class certification notices approved by numerous state and federal courts, and is the best
24 notice practicable under circumstances of this case. The proposed Settlement Class Members are
25 ascertainable because all of the Settlement Class Members have worked for Defendant during the
26 Class Periods and can be identified through Defendant’s records.

27 40. The Notice also fulfills the neutrality requirement. It summarizes the proceedings
28 to date and the terms and conditions of the Settlement in an informative and coherent manner, and

1 is accurate, objective, and understandable to Settlement Class Members, as is required under
2 prevailing precedent. The Notice clearly states the Settlement does not constitute an admission of
3 liability by Defendant and recognizes the Court has not ruled on the merits. It also states the final
4 settlement approval decision has yet to be made. The Notice also clearly instructs the Settlement
5 Class Members on how to object or exclude themselves from the Settlement. Therefore, Settlement
6 Class Members will have the option to participate or exclude themselves simply by mailing a request
7 to exclude themselves. The Settlement Class consists of non-exempt employees who speak English.
8 Thus, the Notice of Class Action is drafted in a manner that is likely to be readily understood by the
9 Settlement Class. Accordingly, the Notice complies with the standards of fairness, completeness
10 and neutrality required of a Notice of Class Action Settlement. The Notice therefore is neutral,
11 objective and understandable.

12 41. I have a great deal of experience in wage and hour class action litigation. I have
13 obtained certification of several classes, I have been approved as class counsel in many other
14 wage/hour class actions, and I am currently litigating numerous others. Although not an exhaustive
15 list, over the years I have prosecuted the following class action matters as lead and/or co-lead
16 counsel, all of which implicated similar law and facts to those associated with this action:

17 a. *Aguilar v. 7-Eleven, Inc., et. al.*, Orange County Superior Court- Case No.: 30-
18 2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking premium
19 wages for meal period and rest periods and resultant penalties. Class Notice pending.

20 b. *Carey, et. al. v. Arthur J. Gallagher, et. al.*, USDC, SOUTHERN DISTRICT- Case
21 No.: 09-cv-0168. Wage and Hour Class action seeking past wages of overtime for mis-
22 classification of insurance claims adjusters employed by Gallagher Bassett, a third
23 party administrator (TPA) in the State of California. Certification granted. Plaintiffs'
24 counsel co-lead counsel. Case settled, Final Approval granted, no objections and funds
25 fully distributed.

26 c. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-08-
27 04554. Wage and Hour Class Action case seeking past wages for "off the clock",
28 overtime and meal and rest break violations for production workers in the State of

1 California. Plaintiffs' Counsel appointed as Lead Counsel. Case settled, Final
2 Approval granted, no objections and funds fully distributed.

3 d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW.
4 Wage and Hour Class Action case seeking past wages for meal and rest period
5 violations for retail employees in the State of California. Plaintiffs' counsel appointed
6 co-lead counsel. Case settled, Final Approval granted, no objections and funds fully
7 distributed.

8 e. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case No.
9 SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and
10 rest period violations for retail employees in the State of California. Plaintiffs'
11 Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no
12 objections and funds fully distributed.

13 f. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles County
14 Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past
15 wages for overtime, meal and rest break violations for driver employees in the State of
16 California. Settlement for "binding arbitration." Arbitration Award for Plaintiff Class.
17 Arbitration Award confirmed. Plaintiffs' counsel, lead trial counsel and class counsel.

18 g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County Superior
19 Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for
20 overtime, meal and rest breaks violations for production employees in the State of
21 California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval
22 granted, no objections and funds fully distributed.

23 h. *Acosta v. Fleetwood Travel Trailers of California, Inc., et al.*, Riverside County
24 Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past
25 wages for overtime, meal and rest break violations for production employees in the
26 State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled,
27 Final Approval granted, no objections and funds fully distributed.

28 i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No. 05CC00293.

1 Wage and Hour Class Action seeking past wages for unlawful deductions, meal and
2 rest break violations for restaurant employees in the State of California. Plaintiffs'
3 counsel appointed as lead counsel. Case settled, Final Approval granted and funds
4 fully distributed.

5 j. *Padron v. Universal Protection Service, et al*, Orange County Superior Court, Case
6 No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal
7 and rest break violations for security officers in the State of California. Plaintiffs'
8 counsel appointed as co-lead counsel. Case settled, Final Approval granted, no
9 objections and funds fully distributed.

10 k. *Martinez v. Securitas Security Services USA, et al.*, Santa Clara Superior Court,
11 Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action
12 seeking past wages for meal and rest break violations for security officers employed by
13 defendant in the State of California. Plaintiffs' counsel and co-counsel. Case settled,
14 Final Approval granted and funds fully distributed.

15 l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc. et al.*, Riverside Superior Court,
16 Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime,
17 meal and rest break violations for housekeepers employed by defendant in the State of
18 California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval
19 granted, no objections and funds fully distributed.

20 m. *Ruiz, et al. v. Unisource Worldwide, Inc., et al.*, USDC, CENTRAL DISTRICT,
21 Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal and
22 rest period violations for non-exempt employees employed by defendant in the state of
23 California. Case settled. Awaiting Preliminary Approval hearing. Plaintiff has
24 petitioned the Court for Lead Counsel.

25 n. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
26 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages
27 for field and branch employees of defendant in the State of California. Plaintiffs'
28 counsel appointed as lead counsel. Case settled and awaiting Final Approval.

1 o. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case No.
2 05CC00128. Wage and Hour Class Action seeking past wages for restaurant
3 employees of defendant in the State of California. Plaintiffs' counsel appointed as lead
4 counsel. Case settled, Final Approval granted, no objections and funds fully
5 distributed.

6 p. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court, Case No.
7 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest
8 break violations for security guards employed by defendant in the State of California.
9 Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no
10 objections and funds fully distributed.

11 q. *Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.*, Los Angeles Superior
12 Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and
13 rest break violations for production employees employed by defendant in the State of
14 California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval
15 granted, no objections and funds fully distributed.

16 r. *McMurray v. Dave and Busters, Inc., et al.*, Orange County Superior Court, Case
17 No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest
18 break violations for restaurant employees employed by defendant in the State of
19 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final
20 Approval granted, no objections and funds fully distributed.

21 s. *Osuna v. DFG Restaurants, Inc., et al.*, Los Angeles Superior Court, Case No. BC
22 330145. Wage and Hour Class Action seeking past wages of overtime for mis-
23 classification of managers employed by Defendant, DBA Carl's Jrs. in the State of
24 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final
25 Approval granted, no objections and funds fully distributed.

26 t. *Burns v. Gymboree Operations, Inc., et al.*, San Francisco Superior Court, Case No.
27 CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest
28 break violations for retail employees employed by defendant in the State of California.

1 Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no
2 objections and funds fully distributed.

3 u. *Willems v. Diedrich Coffee, Inc.*, et al., Orange County Superior Court, Case No.
4 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-
5 classification of managers employed by Defendant in the State of California.

6 Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no
7 objections and funds fully distributed.

8 v. *Davila, et al. v. Beckman Coulter, Inc.*, et al., Orange County Superior Court, Case
9 No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal
10 and rest break violations for production workers employed by defendant in the State of
11 California. Plaintiffs' counsel appointed lead counsel. Case settled; final approval
12 granted; no objections and funds fully distributed.

13 w. *Perez v. Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court,
14 Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime,
15 meal and rest period violations for production employees employed by defendant in the
16 State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final
17 Approval granted, no objections and funds fully distributed.

18 42. Here, the Parties' agreement to pay Class Counsel Fees of 33% of the TSA is
19 reasonable. My firm and I have been the only counsel to represent Plaintiff and the Settlement
20 Class in this matter, and we have borne the entire risk and cost of this litigation on a pure contingency
21 fee basis. The legal issues raised drew significantly upon my experience and the extensive review
22 and analysis of documents and information by me and others at my firm and our co-counsel. In a
23 complex action such as this, the proposed attorneys' fees are, at the very least, on the low side of
24 the market rate for contingency fees.

25 43. At this juncture, with the addition of more hours due to the administration of the
26 Settlement by Class Counsel, administration of the Settlement, and preparation for final approval,
27 counsel for plaintiff will provide a detailed analysis of its time in advance of the final approval
28 hearing. Plaintiff's counsel will file a motion for attorneys' fees and costs to be heard concurrently

1 with the motion for final approval in accordance with the terms of the settlement agreement.

2 44. Despite the complexity of the case, Class Counsel has, through the investment of
3 substantial effort and the resources of my law firm been able to secure an outstanding settlement on
4 behalf of the Settlement Class. Plaintiff would have faced substantial legal and factual obstacles in
5 demonstrating that class certification was appropriate. Plaintiff would also have been required to
6 establish a significant amount of witness testimony, pattern and practice evidence, statistical
7 evidence, sampling evidence, expert testimony, and other evidence in order to present their case
8 both at the class certification stage and trial. Defendant vigorously contested liability, the amount
9 of claimed damages, and the propriety of class certification, and would have continued to do so
10 through trial. Accordingly, I believe the Settlement to be fair, reasonable, and adequate and in the
11 best interests of the Settlement Class. The fairness and adequacy of the Settlement is confirmed by
12 all known facts and circumstances, including the risk of significant delay and uncertainty associated
13 with litigation, the various defenses asserted by Defendant, and numerous potential appellate issues.

14 I declare under penalty of perjury that the foregoing is true and correct. Executed on
15 February 27, 2023 at Irvine, California.

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17 James R. Hawkins
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EXHIBIT 1

CLASS AND REPRESENTATIVE ACTION SETTLEMENT AGREEMENT

AND RELEASE

This Class and Representative Action Settlement Agreement and Release (“Settlement” or “Agreement”) encompasses two (2) actions which have been consolidated for all purposes in the Los Angeles County Superior Court: (1) A class action complaint originally filed on April 22, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV15403 (the “Class Action”); and (2) A Private Attorneys General Act (“PAGA”) representative action complaint originally filed on November 1, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV23780 (the “PAGA Action”) (collectively, the Class Action and PAGA Action are the “Lawsuits”). The Lawsuits are now proceeding under Case No. 21STCV15403.

This Agreement is entered into between Plaintiff JESUS LOPEZ, individually, and as a representative for the alleged class and aggrieved employees described below (“Plaintiff”), on one hand, and Defendant ECOLOGY AUTO PARTS, INC., (“EAP” or “Defendant”), on the other hand.

The Parties intend this Agreement to fully, finally, and forever resolve, discharge and settle the “Released Claims” (as defined below) on a class and representative action basis pertaining to the “Released Parties” (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon Final Court approval of: (i) this Agreement; (ii) the approval of the Class for the sole purpose of settlement, and (iii) the payment of the consideration set forth herein, contains the essential terms of the Parties’ agreement. The Plaintiff and Class Counsel believe, and the Parties have agreed, that the Settlement set forth herein confers substantial benefits upon the Class Members.

I. DEFINITIONS

1. Class Counsel

“Class Counsel” means JAMES HAWKINS APLC who, subject to Court approval, shall act as counsel for the Class.

2. Class Counsel Award

“Class Counsel Award” means attorneys’ fees and legal costs for Class Counsel’s litigation and resolution of the Lawsuits.

3. Class Information

“Class Information” means information regarding Class Members that Defendant will compile from its records and provide to the Settlement Administrator in an excel spreadsheet, including each Class Member’s full name; last known address; social security number; dates of employment; and the total number of workweeks during which each Class Member performed work for Defendant during the Class Period.

4. Class Members

“Class Member(s)” or “Class” means all current and former non-exempt employees employed by Defendant in California or continuing to be employed by Defendant in California between April 22, 2017 and the earlier of December 31, 2022 or the date of preliminary approval of this settlement. Defendant estimated for purposes of mediation that there are: 35,916 workweeks worked by 377 Class Members as of September 16, 2022.

5. Class Periods

“Class Period” is between April 22, 2017 and the earlier of December 31, 2022 or the date of preliminary approval of this settlement.

6. Class Representative

“Class Representative” means Plaintiff Jesus Lopez, subject to Court approval.

7. Class Representative’s Enhancement Award

“Class Representative’s Enhancement Award” means the amount that the Court authorizes to be paid to Plaintiff, in recognition of Plaintiff’s efforts and risks in assisting with the prosecution of the Lawsuits and in return for executing a general release with Defendant. Said enhancement is not to exceed \$10,000.00.

8. Complaint

“Complaint(s)” means the operative complaints filed in the Lawsuits.

9. Court

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

10. Effective Date

“Effective Date” means the date on which the Court’s order granting Final Approval of this Settlement becomes final. Such order becomes final upon any of the following events: (i) sixty five (65) days after the Court issues the order granting Final Approval of this Settlement and Final Judgment consistent with the terms of this Agreement if no objections to the settlement are filed; or (ii) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal’s decision passes and no further review is requested; or (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal’s decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or (iv) if review is accepted, the day after the California Supreme Court affirms the Final Judgment and final approval or order approving the Settlement.

11. Eligible Workweek

“Eligible Workweek(s)” means any workweek in which a Class Member worked for at least more than four hours in any one day in California as an employee of Defendant, during the Class Period, according to Defendant’s records.

12. Final Approval Hearing

“Final Approval Hearing” means the final hearing held by the Court to ascertain the fairness, reasonableness, and adequacy of the Settlement.

13. Final Judgment

“Final Judgment” means a judgment issued by the Court approving this Settlement consistent with the terms of this Agreement as binding upon the Parties. The Final Judgment shall constitute a judgment respecting the Parties within the meaning and for purposes of California Code of Civil Procedure sections 577, 581d, and 904.1(a), and on the PAGA claims for purposes of enforcing the rule announced in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009).

14. Individual PAGA Payment

“Individual PAGA Payment(s)” means the pro rata share of the twenty-five percent (25%) amount of the PAGA Payment allocated to the PAGA Settlement Group Members that each PAGA Settlement Group Member will receive, without regard to whether he or she is a Class Member or Participating Class Member. PAGA Settlement Group Members will not have the opportunity to opt out or object to the PAGA Payment and/or PAGA Release set forth in this Agreement although the PAGA settlement will be subject to Court approval.

15. Individual Settlement Payment

“Individual Settlement Payment(s)” means the amount paid from the Net Settlement Amount to a Participating Class Member. Any Class Member who timely submits a Request for Exclusion pursuant to the procedures set forth herein is not a Participating Class Member and is not eligible to receive an Individual Settlement Payment.

16. LWDA

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

17. Net Settlement Amount

“Net Settlement Amount” means the Total Settlement Amount less the Court-approved Class Counsel Award, Class Representative’s Enhancement Award, PAGA Payment, and Settlement Administration Costs. The Net Settlement Amount is the amount that will be paid to Participating Class Members, in the form of Individual Settlement Payments.

18. Class Notice

“Class Notice” means the Notice of Class and Representative Action Settlement approved by the Parties and subject to Court approval, substantially in the form of Exhibit A hereto, explaining the terms of this Agreement and the settlement process, which the Settlement Administrator will mail to each Class Member.

19. PAGA

“PAGA” refers to the Labor Code Private Attorneys General Act of 2004, Labor Code § 2699 et seq.

20. PAGA Payment

“PAGA Payment” means the payment in the amount of \$50,000, or other amount ordered by the Court, to be paid out of the Total Settlement Amount to the LWDA and PAGA Settlement Group Members in settlement of all claims for PAGA penalties.

21. PAGA Period

Means April 22, 2020 to the earlier of preliminary approval or December 31, 2022.

22. PAGA Settlement Group Member

“PAGA Settlement Group Member(s)” refers to all Class Members employed by Defendant April 22, 2020 to the earlier of preliminary approval or December 31, 2022. Each PAGA Settlement Group Member will be paid an Individual PAGA Payment.

23. PAGA Release

“PAGA Release” shall mean any and all claims and/or causes of action for civil penalties and other relief available pursuant to PAGA against Released Parties that were or could have been pled based on any and all of the underlying allegations and/or the alleged Labor Code violations pled in the original and amended Complaints in the Lawsuits and/or the LWDA notice during the PAGA Period. Class Members who are PAGA Settlement Group Members and opt out of the Settlement will still be bound by the PAGA Release.

24. Participating Class Members

“Participating Class Members” means those Class Members who do not submit a valid and timely Request for Exclusion consistent with the procedures set forth in this Agreement.

25. Parties

“Parties” means Plaintiff and Defendant, collectively.

26. Preliminary Approval Date

“Preliminary Approval Date” means the date on which the Court issues an order granting preliminary approval of the proposed Settlement consistent with this Agreement.

27. Qualified Settlement Fund

“Qualified Settlement Fund” or “QSF” means the account established by the Settlement Administrator which the Parties agree will at all times be treated as a “qualified settlement fund”

within the meaning of Treas. Reg. §1.468B-1, *et seq.* The Parties agree the Settlement Administrator shall, in establishing the account, make any such elections as necessary or advisable to carry out the “relation back election” (as defined in Treas. Reg. §1.468B-1(j)(2)(i)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary Parties, and to cause the appropriate filing to occur. The Parties further agree and acknowledge that, for purposes of Section 468B of the Internal Revenue Code of 1986, as amended (the “Code”) and the Treasury Regulations promulgated thereunder, only the Defendant shall be treated as a “transferor” (within the meaning of such term under Treasury Regulations §1.468B-1(d)(1)) with respect to the Qualified Settlement Fund.

28. Released Claims

All claims and/or causes of action arising from or related to this case under any federal, state or local law or administrative order that were or could have been plead based on the facts alleged in the operative class action and PAGA complaint and amendments, PAGA notice letters and amendments, and administrative claims, whether known or unknown, including without limitation the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, and any other claims whatsoever that were or could have been alleged in this case based on the facts of the complaints, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, including but not limited to California Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802; related IWC Wage Orders including Wage Order Nos. 5 and 7; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.* (“Released Claims”).

29. Released Parties

“Released Parties” means Defendant and each of their respective parent companies, subsidiaries, affiliates, joint ventures, predecessors, successors, and related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and anyone else acting for any of them.

30. Request for Exclusion

“Request for Exclusion” means a letter setting forth a Class Member’s name, present address, and a statement electing to be excluded from the Settlement. Specific details of how to submit a “Request for Exclusion” will be provided in the Class Notice. However, any Class Members who timely and properly submit a Request for Exclusion will still receive an Individual PAGA Payment and be bound by the terms of the PAGA Release if the Class Members are PAGA Settlement Group Members.

31. Response Deadline

“Response Deadline” means the date forty-five (45) days after the Settlement Administrator mails the Class Notice, which is the last date on which Class Members may: (a) submit a Request for Exclusion; (b) file and serve objections to the Settlement; or (c) dispute the information contained in the Class Notice.

32. Settlement Administrator

“Settlement Administrator” means ILYM Group, Inc., the third-party Settlement Administrator mutually agreed to by the Parties and appointed by the Court upon Class Counsel’s motion for preliminary approval of this Settlement.

33. Settlement Administrator Costs

“Settlement Administrator Costs” means the amount to be paid to the Settlement Administrator from the Total Settlement Amount for administration of this Settlement. References herein to actions and responsibilities of the Settlement Administrator shall be to those actions and responsibilities it shall take as set forth in the Agreement.

34. Total Settlement Amount

“Total Settlement Amount” means the total maximum amount payable under the terms of this Agreement by Defendant, which is the gross sum of \$1,000,000.00 and includes, without limitation: the Individual Settlement Payments to Participating Class Members; PAGA Payment; payment of Settlement Administration Costs as approved by the Court; any Class Representative’s Enhancement Award to Plaintiff as approved by the Court; and a payment to Class Counsel of attorneys’ fees and reasonable litigation costs which shall be determined by motion with the Court. Payment of the amount necessary to cover the employer’s portion of payroll taxes associated with the 15% portion of the Individual Settlement Payments allocated to wages shall be made by Defendant, separate and apart from the Total Settlement Amount. The Settlement Administrator will make all required tax deductions and payments using a Qualified Settlement Fund. As set forth herein, the Settlement Administrator will issue all of the above-referenced payments from the Qualified Settlement Fund in accordance with the applicable provisions of this Agreement.

II. RECITALS

1. Class Certification.

The Parties stipulate to class certification for the specific limited purpose of Class Settlement only. If the Court does not grant either preliminary or final approval of this Settlement, the Parties agree that this stipulation regarding class certification will become null and void.

2. Procedural History.

On April 22, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV15403 (the “Class Action”) was filed; and a Private Attorneys General Act (“PAGA”) representative action complaint was originally filed on November 1, 2021 and entitled *Jesus Lopez, et al. vs. Ecology Auto Parts Inc.*, Los Angeles County Superior Court No. 21STCV23780 (the “PAGA Action”) (collectively, the Class Action and PAGA Action are the “Lawsuits”). The Lawsuits seek damages and penalties for Defendant’s alleged failure to: failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, and any other claims whatsoever that were or could have been

alleged in this case based on the facts of the complaints, including all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, and penalties under the Labor Code Private Attorneys General Act of 2004.

On September 22, 2022, the Parties engaged in private mediation with a well-respected wage and hour class action mediator, Lou Marlin, Esq. Prior to mediation, Plaintiff requested and Defendant produced extensive documentation including time and pay data, policy documents, class size information, information on the number of pay periods and workweeks, and information regarding the hourly rates and workweek. In short, Defendant provided informal discovery sufficient to enable the Plaintiff and Class Counsel to rigorously evaluate the strengths, weaknesses, and risks of the case and perform an analysis of the potential damages arising from the claims made in this case.

Defendant denies any liability or wrongdoing of any kind associated with the claims asserted in the Lawsuits, disputes the damages and penalties claimed by Plaintiff, and further contends that, for any purpose other than settlement, Plaintiff's claims are not appropriate for class or representative treatment. This Settlement is a compromise of disputed claims. Nothing contained in this Settlement, no documents referred to herein, and no action taken to carry out this Settlement, 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 Lawsuits. Defendant contends, among other things, that, at all times, it has complied with all applicable state, federal and local laws related to the Class Members' and PAGA Settlement Group Members' employment. Nevertheless, Defendant has entered into this Settlement to avoid the cost, risk and inconvenience of further litigation. Nothing contained in this Settlement, nor the fact of this Settlement itself, shall be construed or deemed as an admission of liability, or wrongdoing on the part of any of the Defendant, or an admission that class or representative action treatment would be allowed outside the settlement context. Pursuant to California Evidence Code sections 1152 and 1154, this Settlement shall be inadmissible in evidence in any proceeding; except that the Settlement may be filed and used in this litigation or any related litigation as necessary to approve, interpret, or enforce this Settlement, or in any

subsequent action against or by Defendant to support a stay of such subsequent action, or to establish a defense of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

The Class Representative is represented by Class Counsel. Class Counsel investigated the facts relevant to the Lawsuits, including reviewing documents and information provided by Defendant. Based on their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendant is fair, reasonable and adequate, and in the best interest of the Class Members in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding a class trial, and numerous potential appellate issues. Although Defendant denies any liability, Defendant is agreeing to this Settlement to avoid the cost, distraction, and risks of further litigation. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle, compromise and discharge all disputes and claims arising from or relating to the Lawsuits on the terms set forth herein.

3. Benefits of Settlement to Class Members.

Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Plaintiff has taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Lawsuits, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages for the Class Members. Plaintiff and Class Counsel have considered Defendant's agreement to enter into a settlement that confers substantial relief upon the Class Members. Based on the foregoing, Class Counsel have concluded that settlement for the consideration and on the terms set forth in this Agreement, is fair, reasonable, and adequate and is in the best interest of the Class in light of all known facts and circumstances, including the risk of delay, defenses asserted by Defendant, numerous potential appellate issues, and other risks inherent in litigation.

4. Defendant's Reasons for Settlement.

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources have been and, unless this Settlement is completed, will continue to be devoted to, the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching their decision to enter into this Settlement. Even though Defendant continues to contend that they are not liable for any of the claims set forth by Plaintiff in the Lawsuits, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims in the Lawsuits. Defendant maintains that they have complied with all applicable state, federal, and local laws and settlement of the Lawsuits shall not be construed as an admission of any wrongdoing by Defendant.

5. Settlement of Disputed Claims.

This Agreement is a compromise of disputed claims. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendant has claimed and continues to claim that the Released Claims and the claims within the PAGA Release have no merit and do not give rise to liability. Nothing contained in this Agreement, no documents referred to herein, and no action taken to carry out this Agreement, may be construed or used as an admission by Defendant as to the merits of any of the claims asserted in the Lawsuits or the suitability of the Lawsuits for class or representative action treatment.

III. TERMS OF AGREEMENT

1. Release as To All Participating Class Members.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, the Participating Class Members, including Plaintiff, shall be deemed to have fully released the Released Parties from the Released Claims. These releases will take effect whether or not a Participating Class Member receives his or her Individual Settlement Payment or cashes and deposits any check for the Individual Settlement Payment.

2. PAGA Release as to All Members of PAGA Settlement Group.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, all PAGA Settlement Group Members, including Plaintiff and the State of California, shall be deemed to have fully released the Released Parties from any and all claims contemplated under the PAGA Release. These releases will take effect whether or not a PAGA Settlement Group Member receives his or her Individual PAGA Payment or cashes and deposits any check for the Individual PAGA Payment.

3. Release of Claims by Plaintiff.

As of the Effective Date, and subject to Defendant's full payment of all consideration due hereunder, Plaintiff releases, for himself only, the Released Parties from all known and unknown claims against the Released Parties, including without limitation any Released Claims as well as other wage and hour claims, claims under California Business & Professions Code section 17200, claims under the Labor Code, including, but not limited to, claims under the PAGA, and all claims for indemnity or reimbursement of business expenses, overtime compensation, minimum wages, penalties, liquidated damages, and interest, and all other claims under state, federal, and local laws, including, without limitation, California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Americans with Disabilities Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, and all of their implementing regulations and interpretive guidelines, as well as the common law, including laws related to discrimination, harassment, or retaliation, whether known or unknown, and whether anticipated or unanticipated, arising from or relating to Plaintiff's relationship, or termination of relationship, with any Released Party through the date of Final Approval for any type of relief. Plaintiff further covenants that he will not become a member of any other legal actions against the Released Parties, as that term is defined, asserting any of Plaintiff's released claims, and will opt out of any such actions if necessary. For the avoidance of doubt, this is a complete and general release to the maximum extent permitted by law.

Plaintiff's release set forth herein includes a waiver of all rights under California Civil Code §1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but Plaintiff expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant.

4. Tax Treatment.

All Individual Settlement Payments shall be allocated as follows: 15% as wages, 10% as interest, and 75% as penalties (\$50,000.00 of that amount to be attributed to PAGA penalties) and liquidated damages. The portion of Individual Settlement Payments allocated as wages shall be subject to required withholdings and deductions by the Settlement Administrator and shall be reported on Form W-2 (and such other state or local tax reporting forms as may be required by law) with respect to the year of payment. Individual PAGA Payments shall be treated 100% as non-wage payments for alleged penalties and shall not be subject to any withholdings or deductions. The Settlement Administrator shall issue I.R.S. Form 1099 if required for all non-wage payments. Defendant shall solely be responsible for paying the employer's share of payroll taxes on the amounts allocated as wages, which amount shall be paid separately from the Total Settlement Amount. Plaintiff and any Class Member should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

5. 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 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, 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 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 advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor 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 Agreement.

6. Preliminary Approval of Settlement.

Plaintiff will move the Court to grant preliminary approval of this Settlement consistent with the terms of this Agreement, certifying the Class for settlement purposes only and setting a date for a Final Approval Hearing. Class Counsel shall be responsible for preparing the Motion for Preliminary Approval, supporting declarations, and exhibits thereto, for preliminary approval by the Court. Plaintiff shall obtain a hearing on a date agreed upon by all counsel, before the Court to request the preliminary approval of the Settlement, and the entry of an order preliminarily approving the proposed Settlement and setting a date for a Final Approval Hearing. All Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. On the same date on which the Settlement is filed with the Court, Class Counsel shall concurrently submit it to the LWDA in compliance with PAGA. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting preliminary approval.

7. Settlement Administrator.

Within fifteen (15) calendar days of the Court granting preliminary approval of this Agreement, Defendant shall provide the Settlement Administrator with the Class Information for purposes of mailing the Class Notice. The Settlement Administrator shall maintain the Class Information as private and confidential and shall not disclose such data to any persons or entities other than Counsel for Defendant, except that, subject to Defendant's approval, relevant information can be provided to Class Counsel if necessary for Class Counsel to respond to inquiries or requests from Class Members. The Class Information is being supplied solely for purposes of the administration of the Settlement set forth in this Agreement and cannot be used by the Settlement Administrator or Class Counsel for any other purpose. The Parties agree that the Class Information will not be used to solicit Class Members to file any claim, charge, or complaint of any kind whatsoever against the Defendant and/or the Released Parties and will only be used to administer the Settlement under the terms provided herein.

No later than three (3) calendar days after receipt of the Class Information, the Settlement Administrator shall notify counsel for the Parties that the list has been received and state the number of Class Members on the list.

a. Notice by First Class U.S. Mail.

Within 20 days of receipt of the Class Information, the Settlement Administrator will mail copies of the Class Notice via regular First-Class U.S. Mail. The form of the proposed Class Notice will be agreed to by the Parties, and subject to Court approval and modification as necessary to fulfill the Parties' desire to resolve the Lawsuits.

b. Undeliverable Notices.

Any Class Notice returned to the Settlement Administrator as undeliverable on or before the Response Deadline shall be re-mailed once to the forwarding address affixed thereto. If no forwarding address is affixed, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address and/or social security number of the Class Member whose notice was undeliverable, and shall then re-mail all returned, undelivered mail within ten (10) days of receiving notice that a Class Notice was undeliverable. Class Members who receive a re-mailed Class Notice shall have their Response

Deadline extended twenty (20) days from the original Response Deadline.

c. Disputes Regarding Individual Settlement Payments.

Class Members who disagree with the number of Eligible Workweeks stated on their Class Notice may provide documentation and/or a written explanation to the Settlement Administrator to show contrary information by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine a Class Member's eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment will be binding upon the Class Members and the Parties. Defendant's records will be given a rebuttable presumption of accuracy.

d. Disputes Regarding Administration of Settlement.

Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to attempt to resolve the dispute without involving the Court.

e. Exclusions.

Individuals who fall within the definition of the Class may choose to exclude themselves as Participating Class Members. The Class Notice shall state that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must be in writing and: (1) contain the name and address of the Class Member requesting exclusion; (2) contain a statement expressing that the Class Member elects to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address. The date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted.

Any Class Members who exclude themselves from the Settlement will not receive an Individual Settlement Payment and will not be bound by the Released Claims, but will be bound by the PAGA Release and will be sent their Individual PAGA Payment provided that the Class Members are PAGA Settlement Group Members.

Every Class Member who does not validly and timely exclude themselves shall be deemed a Participating Class Member. The Parties' counsel shall receive a copy of all valid Requests for Exclusion from the Settlement Administrator within ten (10) calendar days after the Response Deadline.

f. Objections.

The Class Notice shall state that Class Members who wish to object to the Settlement may do so in person at the Final Approval Hearing and/or in writing. Any written objection ("Notice of Objection") must be mailed to the Settlement Administrator by the Response Deadline. The date of mailing on the envelope shall be deemed the exclusive means for determining that a Notice of Objection was timely received. The Notice of Objection must be signed by the Class Member and state: (1) the full name and address of the objecting Class Member; (2) the basis for the objection; and (3) whether the Class Member intends to appear at the Final Approval Hearing. Class Counsel will ensure that any Notice of Objection received by the Settlement Administrator by the Response Deadline is filed with the Court along with the Motion for Final Approval. Any of the Parties may file a response to any objection before the Final Approval Hearing. Any attorney who will represent an individual objecting to this Settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and counsel for Defendant with this notice no later than the Response Deadline. It will also inform Class Members that if they first request exclusion from, and opt out of, the Class and then object, the objections would not be considered valid and that if the Class Members object and then request exclusion from, and opt out of the Class, the Class Members would be deemed to have waived their objection.

8. No Solicitation of Settlement Objections or Exclusions.

The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members

to submit either written objections to the Settlement or Requests for Exclusion, or to appeal from the Court's Final Judgment.

9. Funding of the Qualified Settlement Fund.

No later than five (5) calendar days after the Effective Date, the Settlement Administrator shall send Defendant's Counsel electronic wiring instructions for paying the Total Settlement Amount (\$1,000,000.00) into the QSF and shall inform Defendant of the amount to be sent to the QSF to pay for the employer's share of payroll taxes under this Settlement. No later than ten (10) calendar days after the Effective Date, Defendant shall fund the QSF.

10. Net Settlement Amount.

The Net Settlement Amount will be determined by the Settlement Administrator by subtracting the Class Counsel Award, Class Representative's Enhancement Award, PAGA Payment, and Settlement Administrator Costs approved by the Court from the Total Settlement Amount. The anticipated Net Settlement Amount is \$584,166.67. The Parties estimate the amount of the Net Settlement Amount to be calculated as follows:

Total Settlement Amount:	\$1,000,000.00
Requested Class Rep. Enhancement Award:	\$10,000.00
Requested Class Counsel Fees:	\$333,333.33
Requested Class Counsel Costs:	\$25,000.00
75% of PAGA Payment to the LWDA:	\$37,500.00
Settlement Administrator Costs:	\$10,000.00
Net Settlement Amount	\$584,166.67

This is a non-reversionary Settlement in which Defendant will pay the entire Total Settlement Amount. No portion of the Total Settlement Amount will revert to Defendant. Any award of less than the amounts requested for enhancements, administrative costs, litigation costs, or attorneys' fees will be returned to the Net Settlement Amount and distributed to the Class.

a. Individual Settlement Payments.

Individual Settlement Payments will be paid from the Net Settlement Amount and shall be paid pursuant to the settlement formula as follows: (i) using the Class Information, the Settlement Administrator will compute the total number of Eligible Workweeks of all Participating Class Members collectively during the Class Period; this sum shall be known as the Workweek Total; (ii) the Settlement Administrator will divide the Net Settlement Amount by the Workweek Total to determine the settlement value for each Eligible Workweek (the “Workweek Value”); and (iii) the Settlement Administrator will multiply the number of Eligible Workweeks of a Participating Class Member during the Class Period by the Workweek Value to determine that Participating Class Member’s Individual Settlement Payment.

Participating Class Members and Class Counsel shall be solely responsible for the reporting and payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the payments made pursuant to this Settlement. Defendant makes no representation, and it is understood and agreed that Defendant has made no representation, as to the taxability to any Class Members of any portion of the Individual Settlement Payments, Individual PAGA Payments, the payment of any Class Counsel Award, or the payment of the Class Representative’s Enhancement Award. The Class Notice will advise each Class Member to seek his/her own personal tax advice prior to acting in response to the Class Notice, and Defendant, the Class Representative, and Class Counsel agree that each Class Member will have an adequate opportunity to seek tax advice prior to acting in response to the Class Notice.

The Settlement Administrator will report each payment made from the Qualified Settlement Fund to state and federal government authorities, including the Internal Revenue Service, to the extent required by law.

Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to each Participating Class Member’s last known mailing address within fifteen (15) days after Defendant fully funds the Settlement.

11. Individual PAGA Payments

The Individual PAGA Payment will be an equal payment to all PAGA Settlement Group

Members, calculated as follows: 25% of the PAGA Payment divided by the number of PAGA Settlement Group Members Pay Periods. If any additional amount is ordered by the Court to be paid for PAGA civil penalties the court-ordered PAGA Payment shall be paid from the Total Settlement Amount; in no event shall Defendant be required to pay in excess of the Total Settlement Amount. Individual PAGA Payment checks shall be mailed by regular First-Class U.S. Mail to each PAGA Settlement Group Member's last known mailing address within fifteen (15) days after Defendant fully funds the Settlement.

12. Unclaimed Settlement Payment(s).

After one hundred and eighty (180) days of the mailing of the Individual Settlement Payment checks and Individual PAGA Payment checks, funds attributable to unclaimed, undeliverable, or expired checks ("Unclaimed Settlement Payments") shall be deposited as follows: twenty five percent 25% to the State Treasury for deposit in the Trial Court Improvement and Modernization Fund and Seventy-Five percent (75%) to Free To Thrive, a nonprofit organization helping survivors of human trafficking by providing restorative justice by expunging their criminal records to enable them to become gainfully employed and rejoin the community. The Parties and/or Counsel for the Parties do not have any interests or involvement within the governance or work of Free to Thrive. The Parties represent and warrant they have no affiliation with either of these entities.

13. Class Representative's Enhancement Awards.

Defendant agrees not to oppose or object to Plaintiff's application to the Court for a Class Representative's Enhancement Award of \$10,000.00. The Class Representative's Enhancement Award shall be paid by the Settlement Administrator to Plaintiff from the Total Settlement Amount no later than fifteen (15) days after Defendant fully funds the Settlement. The Class Representative's Enhancement Award shall be in addition to Plaintiff's Individual Settlement Payment as a Class Member. Any amount requested by Plaintiff for the Class Representative's Enhancement Award and not granted by the Court shall return to the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

14. Class Counsel Award.

Defendant agrees not to oppose or object to any application or motion by Class Counsel for attorneys' fees in the amount of up to thirty-three and one-third percent (\$333,333.33) of the Total Settlement Amount. Defendant further agrees not to oppose any application or motion by Class Counsel for the reimbursement of reasonable litigation costs and expenses associated with Class Counsel's prosecution of this matter, to be paid from the Total Settlement Amount, not to exceed \$25,000. Class Counsel shall be paid the Class Counsel Award by the Settlement Administrator no later than seven (7) days after Defendant fully funds the Settlement. Any amount requested by Class Counsel for the Class Counsel Award and not granted by the Court shall be included in the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement. Class Counsel have entered into a fee sharing agreement, consented to in writing by Plaintiff, which complies with the requirements of California law.

15. Settlement Administrator Costs.

The Parties agree to allocate up to \$10,000 of the Total Settlement Amount for Settlement Administrator Costs. The Settlement Administrator shall have the authority and obligation to make payments, credits and disbursements to Participating Class Members in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement administration process and to make reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement.

In the event an appeal is filed from the Court's Final 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, but any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Judgment or any other appellate review, shall be paid to the Settlement Administrator by Defendant within thirty (30) days of said notification.

a. Responsibilities of the Settlement Administrator.

In addition to establishing the Qualified Settlement Fund, the Settlement Administrator shall be responsible for the following: creating a plan of settlement administration and settlement

fund distribution; using the data provided by Defendant to calculate each Class Member's approximate Individual Settlement Payment; ascertaining the identity and whereabouts of the Class Members and mailing the Class Notice to them; communicating with Class Members as necessary; printing and mailing the Class Notice and tax forms to the Participating Class Members as directed by the Court; receiving and reporting Requests for Exclusion and objections; processing and mailing payments to Plaintiff, Class Counsel, and Participating Class Members; notifying the Parties of, and resolving any disputes regarding, the calculation of Class Members' Individual Settlement Payment; complying with all tax reporting notice and filing requirements; carrying out all other duties related to the Qualified Settlement Fund's documentation and filing; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; providing status reports as needed, among other administrative duties; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

16. Payment to the LWDA.

Seventy-five percent (75%) of the PAGA Payment will be paid by the Settlement Administrator to the LWDA from the funding of the Total Settlement Amount. Any additional amount ordered by the Court to be paid as the PAGA Payment shall be paid from the Total Settlement Amount; in no event shall Defendant be required to pay in excess of the Total Settlement Amount. The LWDA shall be paid its portion of the court-approved PAGA Payment no later than fifteen (15) days after Defendant fully funds the Settlement. Any amount requested for the PAGA Payment and not granted by the Court shall be included in the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

17. Final Approval Hearing and Entry of Final Judgment.

Upon expiration of the Response Deadline, with the Court's permission, a Final Approval Hearing shall be conducted to determine whether the Settlement will be finally approved, including

the requested Class Counsel Award, the requested Class Representative's Enhancement Award, the PAGA Payment, and Settlement Administrator Costs.

18. Final Approval Order.

The Parties will request that the Court enter, after the Final Approval Hearing, an order granting final approval and a Final Judgment. The proposed order granting final approval will certify the Class; find that this Agreement is fair, just, adequate, and in the best interests of the Class; approve the PAGA Payment; address other terms of the Settlement; and require the Parties to carry out the provisions of this Agreement. The Parties shall jointly prepare the proposed order granting final approval. Plaintiff shall be responsible for preparing the Motion for Final Approval, and any motion requesting the Class Counsel Award and Class Representative's Enhancement Award, supporting declarations, and exhibits thereto, for final approval by the Court. Class Counsel agrees to provide Counsel for Defendant with drafts of all documents they intend to submit in support of their Motion for Final Approval at least seven (7) days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on such papers and further agrees to reasonably incorporate the comments from Counsel for Defendant. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement or other supporting documents that will result in entry of the order granting final approval.

19. Nullification of Settlement/Options.

In the event: (i) the Court denies preliminary approval of the Settlement despite the reasonable efforts of the Parties; (ii) the Court denies final approval of the Settlement despite the reasonable efforts of the Parties; (iii) the Court refuses to enter a Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. In that event, any fees already incurred by the Settlement Administrator shall be split equally by the Parties.

If more than 5% of Class Members submit valid Requests for Exclusion, Defendant has the option to nullify this settlement within fifteen (15) business days of notification by the

Settlement Administrator after the Response Deadline of the total number of Requests for Exclusion, via a written notice to Plaintiff's counsel. If Defendant exercises this option, the Settlement will become void and unenforceable in its entirety and the Parties shall be returned to their status as if this Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendant terminating the Settlement.

It is estimated that there are approximately 377 Class Members who worked an estimated 35,916 workweeks during the Class Period as of September 16, 2022. Should the number of workweeks in the Class Period increase by more than 15% (5,387 workweeks) or exceed a total of 41,303 workweeks, Defendant will have the option to increase the Gross Settlement Amount by a proportionate additional amount for each additional workweek or, if Defendant declines to exercise this option, the Gross Settlement Amount will cover no more than 5,387 additional workweeks (15% more than 35,916, the number of workweeks disclosed in advance of the mediation), and the Release date will be moved back to only cover the Class and PAGA Periods during which no more than 41,303 workweeks were worked by the Class Members.

20. Class Certification.

The Parties are agreeing to class certification for settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class for trial or any other purpose is appropriate or proper or that Plaintiff can establish any of the requisite elements for class or representative treatment of any of the claims in the Lawsuits.

If, for any reason, the Settlement is not approved, this Agreement will be void and the Parties will be restored to their respective positions as if the Class had never been certified. The Parties further agree that this Agreement will not be admissible in this or any other proceeding as evidence that: (i) a class action should be certified or not decertified; (ii) either matter may proceed as a representative action; or (iii) Defendant has any obligation or liability to Plaintiff or any Class Member other than according to the Settlement's terms. In the event the Settlement is not approved or otherwise voided, Defendant expressly reserves all rights to challenge certification of a class, or Plaintiff's ability to maintain a representative action, for all purposes.

21. Confidentiality Provision

The Parties agree to keep the Settlement confidential up to and until the Court grants preliminary approval of the Settlement, except as required to seek preliminary approval from the Court, including filing the Agreement with the Court. Thereafter, the Parties will agree to make no comments to the media, issue any press release, or otherwise publicize the terms of the Settlement, except that in response to media inquiries the Parties may refer the inquirer to the Settlement documents filed in Court. To the extent there are questions, the Parties will confer as to appropriate statements, if any, to be made. Plaintiff has been advised to keep this Settlement confidential until preliminary approval is granted.

22. No Effect on Employee Benefits.

Amounts paid to Plaintiff, Participating Class Members and/or PAGA Settlement Group Members pursuant to this Settlement shall be deemed not to have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.), if any, for which Plaintiff or Participating Class Members or PAGA Settlement Group Members were eligible during their employment.

23. No Admission by Defendant.

Defendant denies any and all claims alleged in the Lawsuits and denies all wrongdoing whatsoever. This Agreement is not a concession or admission and shall not be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant.

24. Representation.

All Parties have been represented by counsel throughout all negotiations which preceded the execution of this Settlement, and all Parties have been advised by counsel prior to entering into this Settlement.

Class Counsel represents that they do not currently represent any current or former employee who worked for Defendant in connection with any other filed or anticipated claims, charges, grievances, or complaints against Defendant. Class Counsel also represent that Class Counsel have not used any information obtained in the Lawsuits to solicit or assist any other

persons or attorneys to commence a claim or proceeding against Defendant.

25. Exhibits and Headings.

The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

26. Interim Stay of Proceedings.

Upon full execution of this Agreement, the Parties agree that the Lawsuits shall be stayed in their entirety except for the proceedings necessary to implement and complete the Settlement.

27. Amendment or Modification.

This Agreement may be amended or modified only by a written instrument signed by the Parties or their successors-in-interest.

28. Entire Agreement.

This Agreement and any attached Exhibits constitute the entire agreement among these Parties, and no oral or written representations, warranties, or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in the Agreement and its Exhibits. The Parties are entering into this Agreement based solely on the representations and warranties herein and not based on any promises, representation, and/or warranties not found herein.

29. Authorization to Enter into Settlement.

Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will 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 Court to resolve such disagreement. The person signing this Agreement on behalf of Defendant represents and warrants that he or she is authorized to do so. Plaintiff represents and warrants that he is authorized to sign this Agreement and he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

30. Binding on Successors and Assigns.

This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto.

31. California Law Governs.

All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

32. Counterparts.

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

33. Jurisdiction of the Court.

Pursuant to California Code of Civil Procedure section 664.6 and as otherwise allowed by law, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

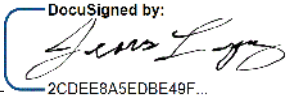
34. Invalidity of Any Provision.

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

WHEREFORE, Plaintiff, on behalf of himself and the Class Members and PAGA Settlement Group Members, and Defendant have executed this Agreement as of the dates set forth below.

IT IS SO AGREED:

Dated: 2/27/2023

By:  DocuSigned by:
2CDEE8A5EDBE49F...
JESUS LOPEZ

Dated: _____

ECOLOGY AUTO PARTS, INC.,

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: 2/27/2023

JAMES HAWKINS APLC

By: 
James R. Hawkins
Gregory Mauro
Michael Calvo
Attorneys for Plaintiff and the Proposed Class

Dated: _____

JACKSON LEWS, P.C.

By: _____
Paul F. Sorrentino
Attorneys for Defendant Ecology Auto Parts,
Inc.

IT IS SO AGREED:

Dated: _____

By: _____
JESUS LOPEZ

Dated: _____

ECOLOGY AUTO PARTS, INC.,

By: _____

Print Name: Armen Simonian

Title: CEO

APPROVED AS TO FORM AND CONTENT:

Dated: _____

JAMES HAWKINS APLC

By: _____
James R. Hawkins
Gregory Mauro
Michael Calvo
Attorneys for Plaintiff and the Proposed Class

Dated: 2/27/23

JACKSON LEWS, P.C.

By: _____
Paul F. Sorrentino
Attorneys for Defendant Ecology Auto Parts,
Inc.

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EXHIBIT A

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION
AND HEARING DATE FOR FINAL COURT APPROVAL**

(Lopez v. Ecology Auto Parts, Inc., Superior Court of the State of California, County of Los Angeles, Case No. 21STCV1503)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT
ACT. PLEASE READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<< >>. See the explanation in Section 5 below. If you do nothing, you will be considered a Participating Class Member and will be part of the Settlement as explained more fully below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the Settlement Share payment, you will release the Released Class Claims as detailed in Section 4 below. If your address has changed, you must notify the Settlement Administrator as explained in Section 6 below.
Exclude Yourself	To exclude yourself, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request to be excluded from the Settlement, you will receive no money from the Settlement and you will not be bound by the Settlement. However, if you are an Aggrieved Employee who opts out, you will still be paid your allocation of the PAGA Payment and will remain bound by the release of the Released PAGA Claims regardless of whether you submit a request for exclusion. If you choose to do so, you must notify the Settlement Administrator as explained in Section 7 below.
Object	Write to the Court about why you do not agree with the Settlement or appear at the Final Approval Hearing to make an oral objection. Instructions are provided in Section 8 below.

Your options are further explained in this Class Notice. To exclude yourself from, or object to, the Settlement you must take action by certain deadlines. If you want the Settlement as proposed, you don't need to do anything to obtain your share of the Settlement. Defendant will not retaliate against you for any actions you take with respect to the Settlement.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Los Angeles (the “Court”) has been reached between Plaintiff Jesus Lopez (“Plaintiff”) and Defendant Ecology Auto Parts, Inc. (“Defendant”) and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All individuals who are or previously were employed by Defendant in California who were classified as hourly non-exempt employees at any time during the Class Period.

The Class Period is April 22, 2017, through December 31, 2022.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Class Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On April 22, 2021, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of Los Angeles, alleging the following class claims against Defendant: failure to pay wages including overtime; failure to provide meal periods; failure to provide rest periods; failure to pay timely wages; failure to provide accurate itemized wage statements; and unfair business practices (the “Class Complaint”). On June 28, 2021, Plaintiff filed a separate Complaint against Defendant in the Superior Court of the State of California, County of Los Angeles, alleging a single cause of action under the Private Attorneys General Act California Labor Code §§ 2698, *et seq.* (the “PAGA”) alleging that Defendant: failed to pay wages including overtime; failed to provide meal periods; failed to provide rest periods; failed to pay timely wages; and failed to provide accurate itemized wage statements (the “PAGA Complaint”). On September 9, 2021, the Court consolidated the Class Complaint and the PAGA Complaint for all purposes. This lawsuit is referred to as the “Action.”

Defendant denies and disputes all such claims. Specifically, Defendant contends that Plaintiff and the Class Members were properly compensated for wages under California law; that Plaintiff and the Class Members were provided with meal and rest periods in compliance with California law; that Defendant complied with California wage statement requirements; that Defendant is not liable for any of the penalties claimed or that could be claimed in the Action; that Plaintiff and the Class Members were properly reimbursed for expenses; that Defendant did not engage in unfair business practices; and that this Action cannot be maintained as a class action.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firm of James Hawkins, APLC, to serve as Class Counsel.

3. What are the terms of the Settlement?

Defendant has agreed to pay an “all in” amount of One Million Dollars (\$1,000,000) (the “Gross Settlement Amount”) to fund the settlement of this Action. The Gross Settlement Amount includes all payments of Settlement Shares to Class Members contemplated by the Settlement, the Settlement Administration Expenses, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the PAGA Payment for civil penalties. Any employer-side payroll taxes on the portion of the Settlement Shares allocated to wages shall be separately paid by Defendants.

Within five (five) days of the Effective Date, Defendants will fund the Gross Settlement Amount by depositing the money with the Settlement Administrator. The “Effective Date” means sixty-five (65) days after the Judgment is entered, or if there are objections or any appeal, the date the Judgment is no longer subject to appeal. Fifteen (15) days after the Settlement is funded, the Settlement Administrator will mail checks for the Settlement Shares to Participating Class Members.

Amounts to be Paid From the Gross Settlement Amount. The proposed payments subject to Court approval will be deducted from the Gross Settlement Amount before Settlement Shares are made to Class Members who do not request to be excluded from the Settlement (“Participating Class Members”):

- Settlement Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$10,000, for expenses, including without limitation, expenses of notifying the Class Members of the Settlement, processing opt outs, and distributing Settlement Shares and tax forms, and handling inquiries and uncashed checks.
- Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Payment to Class Counsel of reasonable attorneys’ fees not to exceed thirty-three and one-third percent (33.3%) of the Gross Settlement Amount, which is presently \$333,333.00 and an additional amount to reimburse actual litigation costs incurred by the Plaintiffs not to exceed \$25,000.00. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses. The amounts stated are what Class Counsel will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- Class Representative Service Payment. Class Representative Service Payments in an amount not to exceed Ten Thousand Dollars (\$10,000.00) to the Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook. The amount stated is what Plaintiff will be requesting and the final amount to be paid will be decided at the Final Approval Hearing.
- PAGA Payment. A payment of \$50,000 relating to the claim for penalties under the PAGA, \$37,500.00 of which will be paid to the State of California’s Labor and Workforce Development Agency (“LWDA Payment”). The remaining \$12,500.00 will be distributed

to the Aggrieved Employees based on their respective pay periods during the PAGA Period (April 22, 2020 through December 31, 2022). “Aggrieved Employees” means all individuals who are or previously were employed by Defendants in California who worked at Ecology Auto Parts, Inc. and were classified as non-exempt employees at any time during the PAGA Period. All Aggrieved Employees will be sent their share of the PAGA Payment and will be subject to the release of the Released PAGA Claims as set forth below, whether or not they opt out of the Settlement.

Calculation of Payments to Class Members. After all of the payments of the Court-approved Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payment, the PAGA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the “Net Settlement Amount”, shall be distributed as Settlement Shares to the Participating Class Members. The Net Settlement Amount is estimated to be approximately \$584,166.67, based upon the above proposed deductions. Settlement Administrator will pay a Settlement Share from the Net Settlement Amount to each Participating Class Member, which shall be calculated as follows: (i) using the Class Information, the Settlement Administrator will compute the total number of Eligible Workweeks of all Participating Class Members collectively during the Class Period; this sum shall be known as the Workweek Total; (ii) the Settlement Administrator will divide the Net Settlement Amount by the Workweek Total to determine the settlement value for each Eligible Workweek (the “Workweek Value”); and (iii) the Settlement Administrator will multiply the number of Eligible Workweeks of a Participating Class Member during the Class Period by the Workweek Value to determine that Participating Class Member’s Individual Settlement Payment.

Tax Matters. Fifteen percent (15%) of each Participating Class Member’s Settlement Share is in settlement of wage claims (the “Wage Portion”). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on IRS Form W-2. Eighty-five percent (85%) of each Participating Class Member’s Settlement Share is in settlement of claims for penalties and interest, including waiting time penalties and PAGA penalties, allegedly due to employees (collectively the “Non-Wage Portion”). The Non-Wage Portion shall not be subject to wage withholdings, and shall be reported on IRS Form 1099. The employee portion of all applicable income and payroll taxes will be the responsibility of the Participating Class Members. Neither Class Counsel nor Defendant’s Counsel intend or represent that anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court granting final approval of the Settlement and entering the Judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. As of the Effective Dates, Defendant shall receive a release from the Participating Class Members of all class claims pled in the original, amended, and operative complaints, including all claims and/or causes of action arising from or related to this case under

any federal, state or local law or administrative order that were or could have been pled based on the facts alleged in the operative class action and PAGA complaint and amendments, PAGA notice letters and amendments, and administrative claims, whether known or unknown, including without limitation the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, and any other claims whatsoever that were or could have been alleged in this case based on the facts of the complaints, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, including but not limited to California Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802; related IWC Wage Orders including Wage Order Nos. 5 and 7; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.* (“Released Class Claims”).

This means that, if you do not timely exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant and any other Released Party about Released Class Claims resolved by this Settlement. It also means that all of the Court’s orders in this Action will apply to you and legally bind you.

Released PAGA Claims. As of the Effective Dates, Defendant shall receive a release from the State of California of all PAGA claims, penalties, and violations pled or that could have been pled in the original, amended, and operative complaints, including all claims and/or causes of action arising from or related to this case under any federal, state or local law or administrative order that were or could have been plead based on the facts alleged in the operative class action and PAGA complaint and amendments, PAGA notice letters and amendments, and administrative claims, whether known or unknown, including without limitation the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, and any other claims whatsoever that were or could have been alleged in this case based on the facts of the complaints, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code section 17200, liquidated damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, including but not limited to California Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1, 1198, 2698, *et seq.*, and 2802; related IWC Wage Orders including Wage Order Nos. 5 and 7; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.* (“Released PAGA Claims”). Released PAGA Claims expressly excludes claims outside of the PAGA Period. The release of the Released PAGA Claims shall be effective as to all Aggrieved Employees, regardless of whether an Aggrieved Employee submitted a request to be excluded from the Settlement.

5. How much will my payment be?

Based on the calculations of payments to Class Members discussed above, your estimated Settlement Share from the Net Settlement Amount is <<_____>>.

If you wish to challenge the information set forth above, then you must submit a written and signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Class Notice no later than _____ [forty-five (45) days after the mailing of the Class Notice or 60 days after the Class Notice in the case of re-mailing].

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your Settlement Share will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator can be contacted at: ILYM Group, Inc. or (888) 250-6810.

The Court will hold a Final Approval Hearing on _____, 2023, at _____ to decide whether to approve the Settlement and fix the amounts to be paid as attorneys' fees and costs to Class Counsel and as service awards to the Plaintiff. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed approximately three months after this hearing. If there are objections or appeals, resolving them can take time, usually more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." If you opt out, you will not receive a Settlement Share from the Settlement, and you will not be bound by the Settlement which means you will retain the right to sue Defendant for the Released Class Claims. However, Aggrieved Employees who opt out will still be paid their allocation of the PAGA Payment and will remain bound by the release of the Released PAGA Claims regardless whether they submit a request for exclusion.

To opt out, you must mail to the Settlement Administrator, by First Class Mail, a written, signed and dated request to opt-out postmarked no later than _____ [forty-five (45) days after the date of the Class Notice or sixty (60) days after the Class Notice in the case of re-mailing]. The request to opt-out must be postmarked or received by the Settlement Administrator by this deadline and should: (1) contain a clear statement that you are requesting to opt out of, or be excluded from the Class and Released Class Claims in the *Lopez v. Ecology Auto Parts, Inc.* lawsuit; (2) contain the name, address, and the last four digits of the Social Security Number of the person requesting exclusion; (3) state the Class Member's request to exclude himself or herself from the Settlement and to opt out of the Settlement; and (4) be signed by the Class Member or his or her lawful representative. Please include the name and number of the case, which is *Lopez v. Ecology Auto Parts, Inc.*, Case No. 21STCV15403. The request to opt-out must be signed by you. No other person may opt-out for a living member of the Class.

The address for the Settlement Administrator is 14751 Plaza Dr., Suite J, Tustin, California 92780. Written requests for exclusion from the Settlement that are postmarked after _____, or are incomplete or unsigned may be rejected; and if so, those Class Members will remain bound by the Settlement and the Released Class Claims described above

8. How do I tell the Court that I don't agree with the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the attorneys' fees, the costs and/or the service awards, either in writing or in person. Objections that are in writing should state the Class Member's name, current address, telephone number, and the dates of employment in California by Defendants, and describe why you believe the Settlement is unfair. All written objections or other correspondence should also state the name and number of the case, which is *Lopez v. Ecology Auto Parts, Inc.*, in the Superior Court of the State of California, County of Los Angeles, Case No. 21STCV15403.

All written objections must be mailed to the Settlement Administrator at _____, no later than _____ [forty-five (45) days after the date of the Class Notice or sixty (60) days after the Class Notice in the case of re-mailing].

Alternatively, Class Members may appear in person or remotely at the Final Approval Hearing on _____ at _____ to make an oral objection without submitting a written objection or to otherwise participate in the Final Approval Hearing. Check the Court's website for the most current information concerning appearances and procedures at the Court - <https://www.lacourt.org/generalinfo/generalinfo.aspx>. For assistance in making an appearance at the Final Approval Hearing, please contact Class Counsel below.

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object and you will still be mailed a check for your Settlement Share.

The addresses for Parties' counsel are as follows:

Class Counsel:

James R. Hawkins
Gregory Mauro
Michael Calvo
James Hawkins APLC
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Email:
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Email:
Paul.sorrentino@jacksonlewis.com
Daniel.smith@jacksonlewis.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at _____ on _____, at the Los Angeles Superior Court, located at 312 North Spring Courthouse, Los Angeles, California 90012, in Department 6 before Judge Eliu M. Berle. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement and to fix the amounts to be paid as attorneys' fees and costs to Class Counsel and as service payment to Plaintiff. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. If you are interested in participating in the Final Approval Hearing, you should confirm the date, time and location by contacting Class Counsel. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing. Hearing dates are posted on the Internet via the Register of Actions page for the California Superior Court for the County of Los Angeles and entering 21STCCV15403.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at (888) 250-6810 or write to *Lopez v. Ecology Auto Parts, Inc.* Settlement Administrator, c/o ILYM Group, Inc.; or contact Class Counsel at 1-949-387-7200.

This Class Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment, the motion for attorneys' fees, costs, and service awards, the motion for final approval, or other Settlement documents by contacting Class Counsel. You may also get more details by examining the Court's file on the Internet via the Register of Actions for the Los Angeles Superior Court (<https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>) and entering the Case No. 21STCCV15403. If you wish to view the Court files in person, you must make an appointment with the Clerk's Office at the Los Angeles Superior Court Spring Street Court House, 312 North Spring Street, Los Angeles, California 90012.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date will be printed on the check. In such event, the Settlement Administrator shall pay all unclaimed funds cy pres as follows: One-hundred percent to Free to Thrive, a non-profit organization helping survivors of human trafficking by providing restorative justice to enable them to become gainfully employed and rejoin the community. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

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