

Jonathan M. Genish (State Bar No. 259031)
jgenish@blackstonepc.com
Miriam L. Schimmel (State Bar No. 185089)
mschimmel@blackstonepc.com
Joana Fang (State Bar No. 309623)
jfang@blackstonepc.com
Alexandra Rose (State Bar No. 329407)
arose@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiff Alejandro Valdez

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ALEJANDRO VALDEZ, individually and on
behalf of others similarly situated, and as an
aggrieved employee and Private Attorney
General,

Plaintiff,

vs.

C.H.I. AUTOMART, INC., a California
corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No. 21STCV40168

Honorable Lawrence P. Riff
Department 7

**DECLARATION OF JONATHAN M.
GENISH IN SUPPORT OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: December 14, 2023
Time: 10:00 a.m.
Dept.: 7

Complaint Filed: November 1, 2021
FAC Filed: January 20, 2022
Trial Date: None Set

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

8
9
0
1
2
3
4
5
6
7
8
9
20
21
22
23
24
25
26
27
28

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

9
20
21
22
23
24
25
26
27
28

1 Angeles Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super
2 Lawyers has regularly honored me as a Southern California Rising Star since 2012.

3 5. In February 2018, I started the law firm of Blackstone Law, APC, representing
4 plaintiffs in individual and representative employment litigation. The firm has grown exponentially
5 over the past four-plus years, now maintaining seven highly pedigreed attorneys working on almost
6 exclusively labor and employment class actions, California Labor Code Private Attorney General Act
7 of 2004 (“PAGA”) cases, and individual matters, with roughly 15% of the firm focused on other
8 complex general litigation matters.

9 6. I have considerable experience in handling class and representative action lawsuits
10 throughout my career and have been approved as counsel in a number of cases, including, most
11 recently:

- 12 • *Anthony DiRico v. Seek Capital, LLC*, Los Angeles Superior Court, Case No. BC698076,
13 a wage and hour class action brought on behalf of a class of hourly-paid employees
14 working in the State of California.
- 15 • *Consumer Protection Group, LLC v. A. D. Sutton & Sons, Inc.*, Los Angeles Superior
16 Court, Case No. 19STCV29979, a private attorney general action for penalties pursuant
17 to Health and Safety Code section 25249.7.
- 18 • *Consumer Protection Group, LLC v. Shaxon Industries, Inc., et al.*, Los Angeles Superior
19 Court, Case No. 19STCV30306, a private attorney general action for penalties pursuant
20 to Health and Safety Code section 25249.7.
- 21 • *Consumer Protection Group, LLC v. Home Depot U.S.A., Inc.*, Los Angeles Superior
22 Court, Case No. 19STCV30445, a private attorney general action for penalties pursuant
23 to Health and Safety Code section 25249.7.
- 24 • *Eric Savoy v. Collector’s Universe, Inc., et al.*, Central District Court of California, Case
25 No.: 8:20-cv-00632-DOC-ADS (recently remanded to Orange County Superior Court,
26 Case No. 30-2020-01130892-CU-RI-CXC), a consumer fraud class action.

27 7. Blackstone Law, APC has been counsel of record on several class action and PAGA
28 actions that have since been resolved, the most recent of which are as follows:

- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino Superior Court, Case No. CIVSB2208601, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Ramiro Cruz v. LK Plumbing & Heating, Inc.*, Los Angeles Superior Court, Case No. BC686825, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

///

8. I am currently the managing partner overseeing roughly 100 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions or representative PAGA actions seeking relief on behalf of thousands of California employees.

Procedural History of the Action

9. On September 29, 2021, Plaintiff provided notice to the California Labor and Workforce Development Agency (“LWDA”) and to Defendant C.H.I. Automart, Inc. (“Defendant”) of his intent to seek civil penalties pursuant to PAGA (“PAGA Notice”). Thereafter, on November 1, 2021, Plaintiff provided an amended PAGA Notice to the LWDA and Defendant.

10. On November 1, 2021, Plaintiff filed a Class Action Complaint entitled *Alejandro Valdez v. C.H.I Automart, Inc.*, Los Angeles County Superior Court Case No. 21STCV40168 (“Action”), thereby commencing a putative class action against Defendant. On January 20, 2022, Plaintiff filed a First Amended Class Action and Representative Action Complaint (“Operative Complaint”) in the Action alleging the following causes of action: (1) Violation of Cal. Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of Cal. Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of Cal. Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of Cal. Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of Cal. Labor Code §§ 201, 202 and 203 (Final Wages Not Timely Paid); (6) Violation of Cal. Labor Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (7) Violation of Cal. Labor Code § 226(a) (Failure to Provide Accurate Wage Statements); (8) Violation of Cal. Labor Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); (9) Violation of Cal. Business & Professions Code § 17200, et seq.; and (10) Violation of Cal. Labor Code § 2699, Private Attorneys General Act).

11. Very shortly after this matter was filed, Plaintiff and Defendant (together, the “Parties”) met and conferred with respect to the potential resolution of the Action and agreed to private mediation. Initially, mediation was set for July 22, 2022, but the Parties decided not to proceed with mediation at that time, in part due to Defendant’s position that the majority of employees at issue had signed arbitration agreements that contained class and PAGA waivers, and in part due to the United

1 States Supreme Court’s decision in the *Viking River* case. The Parties continued to discuss and debate
2 the merits of the case and ultimately decided to reschedule mediation. Defendant informally produced
3 information, documents, and a sampling of employees’ time and payroll records with respect to the
4 alleged putative class and PAGA members sufficient to satisfy the criteria for court approval set forth
5 in the *Dunk v. Foot Locker Retail, Inc.* and *Kullar v. Foot Locker Retail, Inc.* cases.

6 12. After a thorough investigation and analysis of these documents and data, the Parties
7 attended a formal mediation on January 12, 2023, with Marc J. Feder, Esq., a neutral and respected
8 mediator with extensive experience in complex wage and hour matters. At the mediation, the Parties
9 engaged in intensive settlement discussions during which they debated their respective positions and
10 exchanged views regarding the strengths and weaknesses of the alleged claims. The Parties’
11 settlement negotiations were at all times made at arm’s-length and were adversarial. After a full day
12 of mediation, and with the help of the mediator, the Parties were able to reach an agreement to resolve
13 this dispute on a class and representative basis. Thereafter, the Parties spent several weeks negotiating
14 a memorandum of understanding (“MOU”) memorializing the key settlement terms. After further
15 negotiation, an agreed-upon MOU was executed by the Parties as of February 12, 2023. The Parties
16 then spent many hours drafting and revising the terms into a long form settlement agreement.

17 13. After additional discussions and revisions to the settlement agreement, the Parties
18 executed the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or
19 “Settlement Agreement”) as of April 26, 2023. A true and correct copy of the Settlement Agreement
20 is attached hereto as **Exhibit 1**.

21 14. On August 21, 2023, the Court entered the Order Granting Preliminary Approval of
22 Class Action and PAGA Settlement (“Preliminary Approval Order”), which granted Plaintiff’s
23 unopposed motion for preliminary approval of the Settlement and provisionally certified the Class,
24 finding that the Settlement appeared to be within the range of reasonableness of settlements that could
25 ultimately be given final approval. The Court approved the distribution of the Court Approved Notice
26 of Class Action Settlement and Hearing Date for Final Court Approval (“Class Notice”) and set the
27 Final Fairness and Approval Hearing. A true and correct copy of the Preliminary Approval Order is
28 attached hereto as **Exhibit 2**.

Summary of the Terms of the Settlement Agreement

15. By way of the Preliminary Approval Order, the Court certified the following Class for settlement purposes only: “all current and former non-exempt or hourly paid employees of Defendant that have worked for Defendant in the State of California during the Class Period.” The “Class Period” is defined as November 1, 2017 to December 8, 2022. The “Participating Class Members” consists of all Class Members who did not submit a valid and timely Request for Exclusion from the Settlement. The “Aggrieved Employees” consists of all current and former non-exempt or hourly paid employees of Defendant that have worked for Defendant in the State of California during the PAGA Period. The “PAGA Period” is defined as September 29, 2020 to December 8, 2022. The Settlement does not require Participating Class Members to submit claims as a prerequisite to receiving their pro rata share of the Net Settlement Amount (“Individual Class Payment”) nor does it require Aggrieved Employees to submit claims as a prerequisite to receiving their pro rata share of 25% of the PAGA Penalties (“Individual PAGA Payment”).

16. Based on the data provided by Defendant following preliminary approval and for purposes of administration of the Class Notice, I am informed that there are 126 Participating Class Members who worked 16,141 weeks during which each Participating Class Member worked for Defendant for at least one day during the Class Period (“Workweeks”) and 119 Aggrieved Employees who worked 3,593 pay periods during which each Aggrieved Employee worked for Defendant for at least one day during the PAGA Period (“PAGA Pay Periods”).

17. The Parties have agreed to settle the Class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of Four Hundred Thousand Dollars and Zero Cents (\$400,000.00), exclusive of any employer-side payroll taxes. The Gross Settlement Amount includes: (1) Class Counsel’s fees in the amount of one-third (1/3) of the Gross Settlement Amount, equaling One Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$133,333.33); (2) Class Counsel’s actual litigation costs, in the amount of Seventeen Thousand Thirty-Two Dollars and Zero Cents (\$17,032.75); (3) Administration Expenses Payment in the amount of Six Thousand Five Hundred Dollars and Zero Cents (\$6,500.00); (4) Class Representative Service Payment in the amount of Five Thousand Dollars and Zero Cents (\$5,000.00);

1 and (5) PAGA Penalties in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00). After
2 the above Court-approved amounts are deducted from the Gross Settlement Amount, the Participating
3 Class Members will share in a Net Settlement Amount of approximately Two Hundred Twenty-Eight
4 Thousand One Hundred Thirty-Three Dollars and Ninety-Two Cents (\$228,133.92).

5 18. The Net Settlement Amount will be distributed and paid to Participating Class
6 Members on a pro rata basis based on their number of Workweeks worked during the Class Period. I
7 am aware from my review of the information provided by the Administrator that the highest gross
8 Individual Class Payment is approximately 3,773.73, the average gross Individual Class Payment is
9 approximately 1,810.59, and the lowest gross Individual Class Payment is approximately \$14.13.

10 19. In addition, 25% of the PAGA Penalties (i.e., \$2,500.00) will be distributed and paid
11 to the Aggrieved Employees on a pro rata basis based on their number of PAGA Pay Periods worked
12 during the PAGA Period. I am aware from my review of the information provided by the
13 Administrator that the highest Individual PAGA Payment is approximately \$40.36, the average
14 Individual PAGA Payment is approximately \$21.01, and the lowest Individual PAGA Payment is
15 approximately \$0.70.

16 20. Individual Class Payments to Participating Class Members will be allocated as 20%
17 wages (the “Wage Portion”) and 80% interest and penalties (the “Non-Wage Portion”). The Wage
18 Portions are subject to tax withholding and will be reported on IRS W-2 Forms. The Non-Wage
19 Portions are not subject to wage withholding and will be reported on IRS 1099 Forms. Employer-side
20 payroll taxes will be paid by Defendant separately and in addition to the Gross Settlement Amount.
21 Individual PAGA Payments to Aggrieved Employees will be allocated as 100% penalties and will be
22 reported on IRS 1099 Forms.

23 21. The Settlement Agreement is a non-reversionary and non-claims made settlement. All
24 money from the Net Settlement Amount will be distributed to Participating Class Members. No
25 money will revert to Defendant.

26 22. Any Individual Class Payment and Individual PAGA Payment checks remaining
27 uncashed after 180 days will be transferred to the California State Controller’s Office and held in trust
28 for such Participating Class Members and Aggrieved Employees. As such, no “unpaid residue” under

1 California Code of Civil Procedure section 384 will result from the Settlement.

2 23. In exchange for participating in the Settlement, Plaintiff will release and waive all of
3 his rights under California Civil Code section § 1542 against Defendant; however, the release for
4 Participating Class Members is narrowly tailored to only release claims based upon the facts alleged
5 in the Operative Complaint during the Class and PAGA periods.

6 **Notice to the LWDA**

7 24. On June 6, 2023, Class Counsel submitted a copy of the Settlement Agreement to the
8 LWDA through its online submission portal in compliance with California Labor Code § 2699(1)(2).
9 The LWDA has not objected or otherwise responded to the submission. A true and correct copy of
10 the email confirming online submission of the proposed settlement to the LWDA is attached as
11 **Exhibit 3.**

12 **The Settlement Is Fair and Reasonable in Light of the Potential Maximum Liability and**
13 **Specific Risks Considered Regarding the Alleged Claims**

14 ***Discovery and Informed Arms-Length Negotiations***

15 25. During settlement discussions, the Parties conducted their negotiations at arm's-length,
16 in an adversarial position. Arriving at a settlement that was acceptable to all Parties was difficult.
17 Defendant and its counsel felt strongly about their ability to defeat a motion for class certification and
18 to prevail on the merits at trial, whereas Plaintiff and his counsel strongly believed that they would be
19 able to certify the class and prevail at trial. In preparation for mediation, Plaintiff initially provided
20 Defendant with a detailed list of documents and data needed for mediation of the Action. Defendant
21 provided key data points including the start date of its operations in California, the total number of
22 employees during the relevant time period, total number of workweeks, and number of meal and rest
23 period premiums paid. Defendant also provided relevant excerpts from its Employee Handbooks. In
24 sum, through informal discovery, Plaintiff obtained time and payroll records for Plaintiff and a sample
25 of the putative class, and key data points including the class size and composition, the number of
26 workweeks worked, the number of locations, average rate of pay, and the number of terminated
27 employees – all of which enabled Plaintiff to assess the nature and extent of Defendant's potential
28 liability and damages.

1 26. The Parties extensively briefed issues regarding class certification and liability and
2 provided their analyses to the mediator who helped the Parties debate the strengths and weakness of
3 their respective positions. Additionally, settlement negotiations were conducted by highly capable
4 and experienced counsel. Plaintiff engaged in additional negotiations in order to finalize the long-
5 form agreement presently before the Court. At all times, Plaintiff was willing and prepared to litigate
6 this matter through class certification and trial if the Parties had been unable to reach a favorable
7 resolution. Class Counsel are respected members of the California State Bar with strong records of
8 vigorous and effective advocacy and are experienced in handling complex wage and hour class action
9 litigation. Accordingly, Class Counsel had sufficient information and experience to act intelligently
10 in negotiating the Settlement.

11 ***Estimate of Potential Value of Class and PAGA Claims***

12 27. Prior to mediation, Class Counsel analyzed a sampling of time and payroll records
13 provided by Defendant and other relevant documents and discovery. Based on the discovery provided,
14 Class Counsel estimated with respect to the class claims, with all claims adjudicated in favor of the
15 Class, that Defendant faced a maximum potential liability of \$3,675,931. This estimate is based off
16 an estimated maximum potential liability for each of the alleged claims as follows: \$1,024,857 for
17 meal period violations, \$1,905,442 for rest period violations, \$127,634 for unpaid wages (off the
18 clock), \$89,392 for unpaid overtime wages (improper regular rate of pay), \$189,356 for waiting time
19 penalties for 47 terminated employees, and \$339,250 in wage statement penalties. Plaintiff further
20 estimated that Defendant faced an additional exposure of \$358,600 in potential *unstacked* PAGA
21 penalties.

22 ***Specific Risks Considered***

23 28. Although the investigation and information discovered supports Plaintiff's contentions,
24 Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on
25 a class-wide basis. Consideration of these risks factored into the decision to enter the Settlement.

26 29. Class Counsel is aware of Defendant's defenses and arguments and has also taken into
27 account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays
28 inherent in such litigation, including those involved in class and/or representative adjudication.

1 Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted
2 in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary
3 recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations
4 of the mediator, who is experienced and well regarded in complex labor and employment matters.

5 30. Defendant denied and continues to deny any liability and wrongdoing of any kind
6 associated with the claims alleged in the Action, and further denies that class certification is
7 appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately
8 prevail in the Action, proffering defenses to both certification and to the merits of Plaintiff's claims,
9 and that it would have successfully moved to compel arbitration of Plaintiff's individual claims and
10 dismissal of class claims. Defendant contended that Plaintiffs claims are not suitable for class
11 certification because individual issues would predominate should this case go to trial. As with all class
12 actions, these complex cases raise difficult management and proof issues and, accordingly, there is a
13 significant risk that the Court may deny class certification.

14 31. For example, Plaintiff believes a large portion of Defendant's overall potential liability
15 lies in Plaintiff's meal period claims. These claims have been increasingly difficult to certify in recent
16 years and Defendant contended its practices were lawful. *See Brinker*, 53 Cal. 4th at 1034-35.
17 Plaintiff's theory of liability for meal period violations was based on allegations that Defendant had
18 failed to implement lawful practices that allowed Class Members to take meal breaks in the manner
19 required under California law. *See Bradley v. Networkers Int'l, LLC*, 211 Cal.App.4th 1129 (2012)
20 (holding that "the lack of a meal/rest break policy and uniform failure to authorize such breaks are
21 matters of common proof."). Specifically, Plaintiff asserts that Defendant did not provide him and
22 others with the opportunity to take timely, uninterrupted 30-minute meal periods when they worked
23 shifts of five hours or more, or take a second lawful meal break on shifts that exceeded 10 hours.
24 Further, Plaintiff alleged that Defendant instructed him and others to clock out for their meal periods
25 but to continue working through them. And even when meal periods were taken, Plaintiff and others
26 were frequently interrupted and asked to return to work to assist a customer. Plaintiff further alleged
27 that Defendant did not have a policy or practice to pay meal period premiums for all noncompliant
28 meal periods. In contrast, Defendant argued that its written meal break policy and its practices at all

1 times during the Class Period were lawful. Defendant argued that the rate of purported meal period
2 violations reflected in the data would require individualized inquiry and that such inquiry would
3 prohibit a class from being certified. Class Counsel disagreed with this assessment but had to consider
4 the risk that the Court would find validity in an individualized proof defense to certification of
5 Plaintiff's meal period claim.

6 32. Plaintiff's rest period allegations were based on a similar lack of lawful practice and
7 failure to provide employees with timely, full, and uninterrupted rest periods due to the excessive
8 demands during employees' shifts. Plaintiff further alleged that Defendant's written rest break policy
9 violated California law by requiring employees to remain on the premises during rest breaks. Plaintiff
10 also contended that Defendant lacked any policy or practice to compensate employees who were not
11 permitted to take lawful rest periods. As with the meal period allegations, Defendant contended that
12 it did provide rest breaks and relieve Class Members of all duties as required under California law.
13 This claim, however, was even more uncertain given the difficulties associated with proving the
14 alleged rest period violations, as Defendant was not required to record these breaks. Given the lack
15 of records demonstrating rest period violations, there were legitimate concerns Plaintiff would not be
16 able to certify these claims or prove substantial damages with requisite certainty.

17 33. Plaintiff also faced challenges certifying and proving liability for his minimum wage
18 and overtime claims. These claims were largely based on unrecorded, off-the-clock work performed
19 by the Class Members both before and after their shifts, as well as during meal breaks. As such, the
20 individualized nature of the damages presented substantial concerns regarding the manageability of
21 the case and the risk the Court could find these issues prevented certification.

22 34. We also recognized that, even if Plaintiff prevailed at class certification, proving the
23 amount of wages due to Class Members would be an expensive, time-consuming, and uncertain
24 proposition. In order to prove liability and damages, we would need to obtain and analyze thousands
25 more pages of documents, as well as obtain the Class Members' contact information and contact each
26 of them and obtain their declarations at great expense. Moreover, even if Plaintiff prevailed against
27 Defendant's arbitration agreements and succeeded on class certification and trial, likely appeals would
28 substantially delay any recovery to the Class.

1 35. Both sides have had the opportunity to review documents and information relating to
2 Plaintiff's and the Class Members' employment with Defendant, and Defendant's operations and
3 employment policies, practices, and procedures. The Parties also reviewed and analyzed a sampling
4 of the time and pay records of the Class Members to determine the potential value and strength of the
5 claims. The available information enabled Class Counsel to estimate the potential claims of the Class
6 and prepare damages/valuation models. Accordingly, the Parties have conducted adequate
7 investigation and discovery to be sufficiently informed of the nature and extent of the Class Members'
8 claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and
9 reasonableness. The Parties have agreed that the matter is well-suited for settlement given the legal
10 issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would
11 attend further litigation. The Settlement takes into account the strengths and weaknesses of each side's
12 position and the uncertainty of how the case might have concluded at trial, and/or after exhaustion of
13 all appeals.

14 36. Therefore, taking into account the risk that Defendant's arbitration agreements would
15 be enforced, and the subsequent risk of not obtaining class certification, we discounted Defendant's
16 estimated liability by 75% (reducing the damages to \$918,982.75). The merits-based risk factors also
17 reduced Defendant's estimated liability by an additional 50%. This resulted in an adjusted estimated
18 liability of \$459,491.38.

19 37. My office also separately contemplated the risks of proceeding with the PAGA action
20 and potential liability Defendant could face from this claim. First, we recognized that the PAGA claim
21 would be subject to the same defenses and risks as Plaintiff's underlying wage claims. Moreover,
22 although California case law clearly states that PAGA actions need not satisfy class action
23 requirements, Class Counsel remained mindful of the fact that some courts have nevertheless held that
24 PAGA claims must meet a threshold "manageability" requirement. *See, e.g., Wesson v. Staples the*
25 *Office Superstore, LLC*, 68 Cal.App.5th 746 (2021). Class Counsel also anticipated that even if
26 successful on the merits at trial, the imposition of cumulative civil penalties based on the alleged wage
27 and hour violations could be considered unjust, arbitrary and oppressive, or confiscatory, and that
28 Defendant would argue that it made a good faith attempt to comply with its legal obligations

warranting a reduction in penalties. Class Counsel also anticipated Defendant would argue that it made a good faith attempt to comply with its legal obligations, and that the violations per pay period were low, warranting an additional reduction in civil penalties. Finally, Class Counsel was also mindful of the fact that PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate enforcement of California's labor laws by financing state activities and educating and deterring non-compliance.

38. Therefore, the Parties agreed during settlement negotiations to allocate \$10,000.00 of the settlement toward the PAGA claim, which represents approximately 2.5% of the Gross Settlement Payment. This percentage of the settlement is well within the range of wage and hour settlements regularly approved in both state and federal court for cases that include both a class and PAGA action. Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims, and, indeed, settlement allocations of as little as 0.22% of the gross settlement amount have been approved as reasonable by courts. Moreover, the overall relief obtained by the PAGA portion of the settlement is significant, not only from a monetary perspective, but also because it fulfills the public policy objectives of PAGA—to promote enforcement of California's labor laws, provide funds to the state, and deter future non-compliance by the employer.

39. I therefore submit that the Settlement is fair, reasonable, and adequate. The Settlement is in the best interest of the Class Members, Aggrieved Employees, and the State of California, and is within the accepted range of recoveries for this type of litigation given the inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further litigation.

Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment

40. Class Counsel seeks one-third (1/3) of the Gross Settlement Amount (i.e., \$133,333.33) for fees for the time spent litigating this matter and reimbursement of actual costs and expenses totaling \$17,032.75 incurred in the prosecution of the Action. Attached hereto as **Exhibit 4** is a true and correct list of the litigation costs and expenses incurred by my firm. The requested fees and costs are fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis, especially in light of the substantial benefits achieved by Class Counsel for the Class Members. Class Counsel's requested fee award is summarily addressed as follows but is more

1 fully discussed in Plaintiff's Motion for Approval of Class Counsel Fees Payment, Class Counsel
2 Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses
3 Payment ("Motion for Attorneys' Fees and Costs") and the Declaration of Miriam L. Schimmel filed
4 concurrently herewith.

5 41. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated
6 into tangible monetary benefits for the Participating Class Members as follows: (1) Participating Class
7 Members will obtain monetary recovery over a relatively short period of time, as opposed to waiting
8 additional years for the same, or potentially worse, result; (2) a guaranteed result that compares
9 favorably with other similar class action settlements of this type, given the strengths and weaknesses
10 of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only
11 increased significantly had the case progress through trial and/or appeals.

12 42. Class Counsel has litigated this matter for over two years and was prepared to continue
13 litigating this matter through class certification and trial. Plaintiff's Motion for Attorneys' Fees and
14 Costs will elaborate on the nature of the legal services provided, the time incurred in performing those
15 services, and Class Counsel's hourly rates. The requested award of fees and costs was included and
16 set forth clearly in the Class Notice provided to the Class Members.

17 ***Class Representative Service Payment***

18 43. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Class
19 Representative Service Payment in the amount of \$5,000.00. The requested Class Representative
20 Service Payment is eminently reasonable given the time and effort Plaintiff spent on this matter, and
21 the benefit to the other Class Members as a result of Plaintiff's actions. Enhancement awards in wage
22 and hour cases typically range from \$5,000.00 to \$20,000.00, although some awards are higher. The
23 Declaration of Plaintiff Alejandro Valdez submitted herewith details his work and efforts in bringing
24 and litigating this case through resolution and supports the requested Class Representative Service
25 Payment. The requested Class Representative Service Payment was also disclosed in the Class Notice
26 provided to the Class Members.

27 ///

28 ///

Administration Expenses Payment

44. In Plaintiff's motion for preliminary approval, Plaintiff requested, and the Court approved, an Administration Expenses Payment not to exceed \$8,000.00. ILYM Group, Inc., the approved Administrator, provided my firm with its quote stating that its cost to administer the Settlement is \$6,500.00.

Allocation to the LDWA

45. As part of the Settlement, Defendant has agreed to pay \$10,000.00 to settle the claims of the Aggrieved Employees brought pursuant to PAGA, of which the payment of \$7,500.00 (75% of the PAGA Penalties) will be paid to the LDWA for education and enforcement purposes.

46. It is extremely common in approved wage and hour class action cases that settle that only a small portion of the total settlement is paid to PAGA penalties "in order to maximize payments to class members." (*Magadia v. Wal-Mart Assocs.* (N.D. Cal. May 31, 2019, No. 17-CV-00062-LHK) 2019 U.S. Dist. LEXIS 91732, *90-91, citing as examples *Ceja-Corona v. CVS Pharm., Inc.* (E.D. Cal. Jan. 14, 2015) 2015 U.S. Dist. LEXIS 5118, 2015 WL 222500, at *2-3 [preliminarily approving \$10,000 in PAGA penalties out of a total settlement amount of \$900,000]; *Thio v. Genji, LLC* (N.D. Cal. 2014) 14 F. Supp. 3d 1324, 1330 [preliminarily approving \$10,000 in PAGA penalties out of a total settlement amount of \$1,250,000]; *Franco v. Ruiz Food Prods.* (E.D. Cal. Nov. 27, 2012) 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *14 [granting final approval of \$10,000 in PAGA penalties out of a total settlement amount of \$2,500,000]; *Garcia v. Gordon Trucking, Inc.* (E.D. Cal. Oct. 31, 2012) 2012 U.S. Dist. LEXIS 160052, 2012 WL 5364575, at *3 [granting final approval of \$10,000 in PAGA penalties out of a total settlement amount of \$3,700,000]; *Chu v. Wells Fargo Invs., LLC* (N.D. Cal. Feb. 16, 2011) 2011 U.S. Dist. LEXIS 15821, 2011 WL 672645, at *1 [granting final approval of \$10,000 in PAGA penalties out of a total settlement amount of \$6,900,000].) Like here, in these approved settlements, the parties generally maximized statutory penalties and minimized PAGA penalties to focus on claims to the class members, the persons who actually suffered the Labor Code violations.

///

///

Notice to the Class

47. The Class Notice approved by the Court met the requirements for proper notice of settlement to a class: it identified the Parties and described the lawsuit, the Class, the settlement amount, the proposed method for distribution of the Gross Settlement Amount, the amount proposed to be paid as the Class Representative Service Payment to Plaintiff, the amount of the Administration Expenses Payment to the Settlement Administrator, and the requested amounts for the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. The Class Notice described the proposed Settlement with enough specificity to allow each Class Member to make an informed choice whether to accept and participate in it. It also explained how and when Class Members may object to or opt out of the Settlement. Finally, the Class Notice provided the date and time of the hearing on final approval of the Settlement and informed Class Members how to obtain additional information about the Settlement. Further, I am informed by ILYM Group, Inc. that 99% of the Class Notices were successfully mailed to the Class Members.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on November 21, 2023, at Beverly Hills, California.



Jonathan M. Genish

EXHIBIT 1

Jonathan M. Genish (SBN 259031)
jgenish@blackstonepc.com
Miriam Schimmel (SBN 185089)
mschimmel@blackstonepc.com
Joana Fang (SBN 309623)
jfang@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Telephone: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiff Alejandro Valdez

Nicole Kamm (SBN 245534)
nkamm@fisherphillips.com
Joel Moon (SBN 290470)
jmoon@fisherphillips.com
FISHER & PHILLIPS LLP
21600 Oxnard Street, Suite 650
Woodland Hills, CA 91367
Telephone: (818) 230-4250 / Fax: (818) 230-4251

Cynthia Elkins (SBN 125606)
celkins@employer-law.com
ELKINS EMPLOYMENT LAW
21860 Burbank Blvd.
Suite 630 North Building
Woodland Hills, CA 91367
Telephone: (818) 598-6771 / Fax: (818) 598-6779

Attorneys for Defendant C.H.I. Automart, Inc.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ALEJANDRO VALDEZ, individually and on
behalf of others similarly situated,

Plaintiff,

vs.

C.H.I. AUTOMART, INC., a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 21STCV40168

Assigned to the Hon. Lawrence P. Riff, Dept. 7

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT AND
RELEASE**

Complaint Filed: November 1, 2021

IT IS HEREBY STIPULATED, by and between Plaintiff Alejandro Valdez (“Plaintiff”), as a representative of all Class Members and Aggrieved Employees defined below, and Defendant C.H.I. Automart, Inc. (“Defendant”) (Plaintiff and Defendant are referred to collectively herein, as the “Parties”), and subject to the approval of the Court, the lawsuit filed in Los Angeles Superior Court, Case No. 21STCV40168 (“Action”) is hereby compromised and settled pursuant to the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement,” “Settlement,” or “Stipulation of Settlement”) and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Stipulation of Settlement.

1. DEFINITIONS.

1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Alejandro Valdez, et al, v. C.H.I. Automart, Inc.*, Los Angeles Superior Court Case No. 21STCV40168 initiated on November 1, 2021 and pending in Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” means all current and former non-exempt or hourly paid employees of Defendant that have worked for Defendant in the State of California during the PAGA Period.

1.5. “Class” means all current and former non-exempt or hourly paid employees of Defendant that have worked for Defendant in the State of California during the Class Period.

1.6. “Class Counsel” means Jonathan M. Genish, Miriam Schimmel, and Joana Fang of Blackstone Law, APC.

1 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment”
2 mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and
3 expenses, respectively, incurred to prosecute the Action.

4 1.8. “Class Data” means Class Member identifying information in Defendant’s possession
5 including the Class Member’s name, last-known mailing address, Social Security number, and number
6 of Class Period Workweeks and PAGA Pay Periods and/or dates of employment.

7 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either
8 a Participating Class Member or Non-Participating Class Member (including a Non- Participating
9 Class Member who qualifies as an Aggrieved Employee).

10 1.10. “Class Member Address Search” means the Administrator’s investigation and search
11 for current Class Member mailing addresses using all reasonably available sources, methods and
12 means including, but not limited to, the National Change of Address database, skip traces, and direct
13 contact by the Administrator with Class Members.

14 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION
15 SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class
16 Members in English in the form, without material variation, attached as Exhibit A and incorporated
17 by reference into this Agreement.

18 1.12. “Class Period” means the period from November 1, 2017 to December 8, 2022.

19 1.13. “Class Representative” means the named Plaintiff in the Operative Complaint in the
20 Action seeking Court approval to serve as a Class Representative.

21 1.14. “Class Representative Service Payment” means the payment to the Class
22 Representative for initiating the Action and providing services in support of the Action.

23 1.15. “Court” means the Superior Court of California, County of Los Angeles.

24 1.16. “Defendant” means named Defendant C.H.I. Automart, Inc..

25 1.17. “Defense Counsel” means Nicole Kamm and Joel Moon of Fisher & Phillips LLC, and
26 Cynthia Elkins of Elkins Employment Law.

27 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the
28 Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment

1 is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class
2 Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating
3 Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from
4 the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms
5 the Judgment and issues a remittitur.

6 1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

7 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval
8 of the Settlement.

9 1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final
10 Approval of the Settlement.

11 1.22. "Gross Settlement Amount" means Four Hundred Thousand Dollars and Zero Cents
12 (\$400,000.00) which is the total amount Defendant agrees to pay under the Settlement except as
13 provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class
14 Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class
15 Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

16 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of
17 the Net Settlement Amount calculated according to the number of Workweeks worked during the
18 Class Period.

19 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25%
20 of the PAGA Penalties calculated according to the number of pay periods worked during the PAGA
21 Period.

22 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

23 1.26. "LWDA" means the California Labor and Workforce Development Agency, the
24 agency entitled, under Labor Code section 2699, subd. (i).

25 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA
26 under Labor Code section 2699, subd. (i).

27 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following
28 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA

Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

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

1.31. "PAGA Period" means the period from September 29, 2020 to December 8, 2022.

1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.33. "PAGA Notice" means Plaintiff's September 29, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$2,500.00) and the 75% to LWDA (\$7,500.00) in settlement of PAGA claims.

1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.36. "Plaintiff" means Alejandro Valdez, the named plaintiff in the Action.

1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.39. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.

1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 6.2 below.

1.41. "Released Parties" means: Defendant and each of its former and present directors, officers, shareholders, owners, exempt employees, agents, trustees, representatives, attorneys, insurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.45. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On November 1, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Overtime; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Pay Minimum Wages; (5) Failure to Pay Wages Timely Upon Termination; (6) Failure to Pay Timely Wages During Employment; (7) Failure to Provide Accurate Wage Statements; (8) Failure to Reimburse Business Expenses; and (9) Unfair Competition in Violation of Business & Professions Code Section 17200.

On September 29, 2021, Plaintiff filed a First Amended Complaint alleging the same nine (9) causes of action against Defendant and adding a tenth (10) cause of action for PAGA penalties. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On January 12, 2023, the Parties participated in an all-day mediation presided over by

Marc J. Feder, Esq. which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, information, documents and a sampling of data with respect to the alleged Class and PAGA members. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel and Defense Counsel represent that they are aware of a pending action, captioned *Jason Casares, et al, v. C.H.I. Automart, Inc., et. al.*, Los Angeles Superior Court Case No. 22STCV34371 initiated on October 26, 2022 and pending in Superior Court of the State of California, County of Los Angeles, against the same Defendant. However, this pending action does not involve any Class Action or PAGA claims, and only alleges individual wage and hour violations.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay Four Hundred Thousand Dollars and Zero Cents (\$400,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Five Thousand Dollars And Zero Cents (\$5,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a

Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (33.3%), which is currently estimated to be \$133,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$20,000. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$8,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than \$8,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated

by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$10,000 to be paid from the Gross Settlement Amount, with 75% (\$7,500.00) allocated to the LWDA PAGA Payment and 25% (\$2,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$2,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

1 **4. SETTLEMENT FUNDING AND PAYMENTS.**

2 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
3 records to date, Defendant estimates there are 126 Class Members who collectively worked a total of
4 16,141 Workweeks, and 119 of Aggrieved Employees who worked a total 3,593 of PAGA Pay
5 Periods.

6 4.2. Class Data. Not later than seven (7) calendar days after the Court grants Preliminary
7 Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the
8 Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy
9 rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for
10 purposes of this Settlement and for no other purpose, and restrict access to the Class Data to
11 Administrator employees who need access to the Class Data to effect and perform under this
12 Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that
13 the Class Data omitted class member identifying information and to provide corrected or updated
14 Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant
15 must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use
16 best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted
17 Class Data.

18 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
19 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
20 transmitting the funds to the Administrator no later than 30 calendar days after the Effective Date.

21 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds
22 the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments,
23 all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment,
24 the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
25 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel
26 Litigation Expenses Payment and the Class Representative Service Payment shall not precede
27 disbursement of Individual Class Payments and Individual PAGA Payments.
28

1 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
2 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage
3 prepaid. The face of each check shall prominently state the date (not less than 180 days after the date
4 of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the
5 void date. The Administrator will send checks for Individual Settlement Payments to all Participating
6 Class Members (including those for whom Class Notice was returned undelivered). The Administrator
7 will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-
8 Participating Class Members who qualify as Aggrieved Employees (including those for whom Class
9 Notice was returned undelivered). The Administrator may send Participating Class Members a single
10 check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing
11 any checks, the Settlement Administrator must update the recipients' mailing addresses using the
12 National Change of Address Database.

13 4.4.2. The Administrator must conduct a Class Member Address Search for all other
14 Class Members whose checks are returned undelivered without USPS forwarding address. Within 7
15 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding
16 address provided or to an address ascertained through the Class Member Address Search. The
17 Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks
18 are returned as undelivered. The Administrator shall promptly send a replacement check to any Class
19 Member whose original check was lost or misplaced, requested by the Class Member prior to the void
20 date.

21 4.4.3. For any Class Member whose Individual Class Payment check or Individual
22 PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit
23 the funds represented by such checks to the California Controller's Unclaimed Property Fund in the
24 name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of
25 California Code of Civil Procedure Section 384, subd. (b).

26 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments
27 shall not obligate Defendant to confer any additional benefits or make any additional payments to
28 Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

1 **6. RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross
2 Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual
3 Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released
4 Parties as follows:

5 6.1 Plaintiff's Release. Plaintiff and his respective former and present spouses,
6 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and
7 discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class
8 Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged,
9 based on the facts contained, in the Operative Complaint, including, but not limited to (1) Failure to
10 Pay Overtime (Cal. Lab. Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Lab. Code
11 §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Lab. Code § 226.7); (4) Failure to Pay
12 Minimum Wages (Cal. Lab. Code §§ 1194, 1197 and 1197.1); (5) Failure to Pay Wages Timely Upon
13 Termination (Cal. Lab. Code §§ 201, 202 and 203); (6) Failure to Pay Timely Wages During
14 Employment (Cal. Lab. Code §§ 204 and 210); (7) Failure to Provide Accurate Wage Statements (Cal.
15 Lab. Code § 226(a) and IWC Wage Order); (8) Failure to Reimburse Business Expenses (Cal. Lab.
16 Code §§ 2800 and 2802); (9) Unfair Competition in Violation of Business & Professions Code Section
17 17200; and (10) all claims under California's Private Attorneys General Act of 2004 (Cal. Lab. Code
18 §§ 2699 et seq.) and (b) all PAGA claims that were, or reasonably could have been, alleged based on
19 facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action
20 and released under 6.2, below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any
21 claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment
22 benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any
23 time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may
24 discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or
25 believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all
26 respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

27 6.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
28 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and

benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

6.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action [including, but not limited to (1) Failure to Pay Overtime (Cal. Lab. Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Lab. Code § 226.7); (4) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197 and 1197.1); (5) Failure to Pay Wages Timely Upon Termination (Cal. Lab. Code §§ 201, 202 and 203); (6) Failure to Pay Timely Wages During Employment (Cal. Lab. Code §§ 204 and 210); (7) Failure to Provide Accurate Wage Statements (Cal. Lab. Code § 226(a) and IWC Wage Order); (8) Failure to Reimburse Business Expenses (Cal. Lab. Code §§ 2800 and 2802); (9) Unfair Competition in Violation of Business & Professions Code Section 17200; and (10) all claims under California's Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2699 et seq.). Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the

Operative Complaint, and the PAGA Notice and ascertained in the course of the Action including, but not limited to (1) Failure to Pay Overtime (Cal. Lab. Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Lab. Code § 226.7); (4) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197 and 1197.1); (5) Failure to Pay Wages Timely Upon Termination (Cal. Lab. Code §§ 201, 202 and 203); (6) Failure to Pay Timely Wages During Employment (Cal. Lab. Code §§ 204 and 210); (7) Failure to Provide Accurate Wage Statements (Cal. Lab. Code § 226(a) and IWC Wage Order); (8) Failure to Reimburse Business Expenses (Cal. Lab. Code §§ 2800 and 2802); (9) Unfair Competition in Violation of Business & Professions Code Section 17200; and (10) all claims under California’s Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2699 et seq.).

7. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

7.1 Defendant’s Declaration in Support of Preliminary Approval. Within 30 calendar days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that it is aware of a pending action, captioned *Jason Casares, et al, v. C.H.I. Automart, Inc., et. al.*, Los Angeles Superior Court Case No. 22STCV34371 initiated on October 26, 2022, and pending in Superior Court of the State of California, County of Los Angeles, against the same Defendant. However, this pending action does not involve any Class Action or PAGA claims, and only alleges individual wage and hour violations.

7.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the

1 Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its
2 willingness to serve; competency; operative procedures for protecting the security of Class Data;
3 amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts
4 relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent
5 of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration
6 from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any
7 actual or potential conflicts of interest with Class Members, and the Administrator; (v) a signed
8 declaration from each Class Counsel firm attesting to its competency to represent the Class Members;
9 its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations
10 (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)),
11 this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties’
12 Agreement showing all modifications made to the Model Agreement ready for filing with the Court;
13 and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the
14 Administrator. In their Declarations, Plaintiff and Class Counsel Declaration shall aver that they are
15 not aware of any other pending matter or action asserting claims that will be extinguished or adversely
16 affected by the Settlement.

17 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
18 responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than
19 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for
20 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary
21 Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the
22 Administrator.

23 7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
24 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense
25 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by
26 telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
27 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
28 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in

1 person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's
2 concerns.

3 **8. SETTLEMENT ADMINISTRATION.**

4 8.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc.
5 ("ILYM") to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees
6 to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement
7 in exchange for payment of Administration Expenses. The Parties and their Counsel represent that
8 they have no interest or relationship, financial or otherwise, with the Administrator other than a
9 professional relationship arising out of prior experiences administering settlements.

10 8.2 Employer Identification Number. The Administrator shall have and use its own
11 Employer Identification Number for purposes of calculating payroll tax withholdings and providing
12 reports state and federal tax authorities.

13 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
14 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section
15 468B-1.

16 8.4 Notice to Class Members.

17 8.4.1 No later than three (3) business days after receipt of the Class Data, the
18 Administrator shall notify Class Counsel that the list has been received and state the number of Class
19 Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

20 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14
21 days after receiving the Class Data, the Administrator will send to all Class Members identified in the
22 Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice [with Spanish
23 translation, if applicable] substantially in the form attached to this Agreement as Exhibit A. The first
24 page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class
25 Payment and/or Individual PAGA Payment payable to the Class Member, and the number of
26 Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing
27 Class Notices, the Administrator shall update Class Member addresses using the National Change of
28 Address database.

1 8.4.3 Not later than 3 business days after the Administrator's receipt of any Class
2 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using
3 any forwarding address provided by the USPS. If the USPS does not provide a forwarding address,
4 the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the
5 most current address obtained. The Administrator has no obligation to make further attempts to locate
6 or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7 8.4.4 The deadlines for Class Members' written objections, Challenges to
8 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days
9 beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-
10 mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed
11 Class Notice.

12 8.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise
13 discovers any persons who believe they should have been included in the Class Data and should have
14 received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and
15 in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree,
16 such persons will be Class Members entitled to the same rights as other Class Members, and the
17 Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise
18 options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates
19 in the Class Notice, whichever are later.

20 8.5 Requests for Exclusion (Opt-Outs).

21 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
22 Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion
23 not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for
24 Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class
25 Member or his/her representative that reasonably communicates the Class Member's election to be
26 excluded from the Settlement and includes the Class Member's name, address and email address or
27 telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked
28 by the Response Deadline.

1 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it
2 fails to contain all the information specified in the Class Notice. The Administrator shall accept any
3 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person
4 as a Class Member and the Class Member's desire to be excluded. The Administrator's determination
5 shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason
6 to question the authenticity of a Request for Exclusion, the Administrator may demand additional
7 proof of the Class Member's identity. The Administrator's determination of authenticity shall be final
8 and not appealable or otherwise susceptible to challenge.

9 8.5.3 Every Class Member who does not submit a timely and valid Request for
10 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits
11 and bound by all terms and conditions of the Settlement, including the Participating Class Members'
12 Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the Participating Class
13 Member actually receives the Class Notice or objects to the Settlement.

14 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is
15 a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right
16 to object to the class action components of the Settlement. Because future PAGA claims are subject
17 to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved
18 Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are
19 eligible for an Individual PAGA Payment.

20 8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after
21 the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class
22 Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any)
23 allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation
24 by communicating with the Administrator via fax, email or mail. The Administrator must encourage
25 the challenging Class Member to submit supporting documentation. In the absence of any contrary
26 documentation, the Administrator is entitled to presume that the Workweeks contained in the Class
27 Notice are correct so long as they are consistent with the Class Data. The Administrator's
28 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and

1 not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies
2 of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class
3 Counsel and the Administrator's determination the challenges.

4 8.7 Objections to Settlement.

5 8.7.1 Only Participating Class Members may object to the class action components
6 of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
7 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment
8 and/or Class Representative Service Payment.

9 8.7.2 Participating Class Members may send written objections to the Administrator,
10 by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an
11 attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating
12 Class Member who elects to send a written objection to the Administrator must do so not later than
13 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class
14 Members whose Class Notice was re-mailed).

15 8.7.3 Non-Participating Class Members have no right to object to any of the class
16 action components of the Settlement.

17 8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to
18 be performed or observed by the Administrator contained in this Agreement or otherwise.

19 8.8.1 Website, Email Address and Toll-Free Number. The Administrator will
20 establish and maintain and use an internet website to post information of interest to Class Members
21 including the date, time and location for the Final Approval Hearing and copies of the Settlement
22 Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion
23 for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses
24 Payment and Class Representative Service Payment, the Final Approval and the Judgment. The
25 Administrator will also maintain and monitor an email address and a toll-free telephone number to
26 receive Class Member calls, faxes and emails.

27 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
28 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5

1 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall
2 email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying
3 information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion
4 List”); (b) the names and other identifying information of Class Members who have submitted invalid
5 Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether
6 valid or invalid).

7 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
8 reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
9 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
10 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received
11 and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments
12 (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity
13 of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

14 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority
15 to address and make final decisions consistent with the terms of this Agreement on all Class Member
16 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall
17 be final and not appealable or otherwise susceptible to challenge.

18 8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which
19 Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will
20 provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court
21 attesting to its due diligence and compliance with all of its obligations under this Agreement,
22 including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
23 the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for
24 Exclusion from Settlement it received (both valid or invalid), the number of written objections and
25 attach the Exclusion List. The Administrator will supplement its declaration as needed or requested
26 by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s
27 declaration(s) in Court.

28 8.8.6 Final Report by Settlement Administrator. Within 10 calendar days after the

1 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
2 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
3 identification number only of all payments made under this Agreement. At least 15 calendar days
4 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and
5 Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all
6 payments required under this Agreement. Class Counsel is responsible for filing the Administrator's
7 declaration in Court.

8 **9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant
9 estimates that, as of the date of this Settlement Agreement, (1) there are 126 Class Members and
10 16,141 Total Workweeks during the Class period and (2) there were 119 Aggrieved Employees who
11 worked 3,593 Pay Periods during the PAGA Period.

12 Should the qualifying Workweeks (any workweek in which a Class Member worked at least
13 one shift) worked by the Class Members during this period ultimately increase by more than 10% (i.e.,
14 by more than 1,614 Workweeks), Defendants shall increase the Gross Settlement Amount on a pro-
15 rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members
16 above 10%. For example, if the number of Workweeks increases by 11% to 17,917 Workweeks for
17 the Class Period, the Gross Settlement Amount will increase by 1%.

18 **10. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion
19 identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is
20 not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws,
21 the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will
22 have any further obligation to perform under this Agreement; provided, however, Defendant will
23 remain responsible for paying all Settlement Administration Expenses incurred to that point.
24 Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven
25 days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have
26 no effect.

27 **11. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared
28 Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that

1 includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a
2 Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”).
3 Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to
4 filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and
5 confer in person or by telephone, and in good faith, to resolve any disagreements concerning the
6 Motion for Final Approval.

7 11.1 Response to Objections. Each Party retains the right to respond to any objection raised
8 by a Participating Class Member, including the right to file responsive documents in Court no later
9 that [five] court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the
10 Court.

11 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
12 Approval on any material change to the Settlement (including, but not limited to, the scope of release
13 to be granted by Class Members), the Parties will expeditiously work together in good faith to address
14 the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s
15 decision to award less than the amounts requested for the Class Representative Service Payment, Class
16 Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses
17 Payment shall not constitute a material modification to the Agreement within the meaning of this
18 paragraph.

19 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
20 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i)
21 enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii)
22 addressing such post-Judgment matters as are permitted by law.

23 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
24 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
25 Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective
26 counsel, and all Participating Class Members who did not object to the Settlement as provided in this
27 Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and
28 appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary

writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action,

1 and Plaintiff reserves the right to move for class certification on any grounds available and to contest
2 Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action
3 will have no bearing on, and will not be admissible in connection with, any litigation (except for
4 proceedings to enforce or effectuate the Settlement and this Agreement).

5 13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and
6 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is
7 filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another
8 person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly,
9 specifically or generally, to any person, corporation, association, government agency, or other entity
10 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep
11 this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report
12 income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in
13 response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees
14 to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking
15 such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to,
16 directly or indirectly, initiate any conversation or other communication, before the filing of the Motion
17 for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to
18 this Agreement except to respond only that "the matter was resolved," or words to that effect. This
19 paragraph does not restrict Class Counsel's communications with Class Members in accordance with
20 Class Counsel's ethical obligations owed to Class Members.

21 13.3 No Solicitation. The Parties separately agree that they and their respective counsel and
22 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from
23 the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to
24 communicate with Class Members in accordance with Class Counsel's ethical obligations owed to
25 Class Members.

26 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
27 together with its attached exhibits shall constitute the entire agreement between the Parties relating to
28 the Settlement, superseding any and all oral representations, warranties, covenants, or inducements

1 made to or by any Party.

2 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
3 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
4 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
5 terms, and to execute any other documents reasonably required to effectuate the terms of this
6 Agreement including any amendments to this Agreement.

7 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
8 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
9 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
10 as requested by the Court. In the event the Parties are unable to agree upon the form or content of any
11 document necessary to implement the Settlement, or on any modification of the Agreement that may
12 become necessary to implement the Settlement, the Parties will seek the assistance of a mediator
13 and/or the Court for resolution.

14 13.7 No Prior Assignments. The Parties separately represent and warrant that they have not
15 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber
16 to any person or entity and portion of any liability, claim, demand, action, cause of action, or right
17 released and discharged by the Party in this Settlement.

18 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
19 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon
20 as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
21 amended) or otherwise.

22 13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
23 modified, changed, or waived only by an express written instrument signed by all Parties or their
24 representatives, and approved by the Court.

25 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
26 the benefit of, the successors of each of the Parties.

27 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
28 governed by and interpreted according to the internal laws of the state of California, without regard to

1 conflict of law principles.

2 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
3 of this Agreement. This Agreement will not be construed against any Party on the basis that the Party
4 was the drafter or participated in the drafting.

5 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
6 entered during Action and in this Agreement relating to the confidentiality of information shall survive
7 the execution of this Agreement.

8 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal.
9 Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by
10 Defendant in connection with the mediation, other settlement negotiations, or in connection with the
11 Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be
12 used in any way that violates any existing contractual agreement, statute, or rule of court. Not later
13 than 90 days after the date when the Court discharges the Administrator's obligation to provide a
14 Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and
15 electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of
16 the Administrator's obligation, Defendant makes a written request to Class Counsel for the return,
17 rather than the destructions, of Class Data.

18 13.15 Headings. The descriptive heading of any section or paragraph of this Agreement is
19 inserted for convenience of reference only and does not constitute a part of this Agreement.

20 13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall
21 be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend
22 or federal legal holiday, such date or deadline shall be on the first business day thereafter.

23 13.17 Notice. All notices, demands or other communications between the Parties in
24 connection with this Agreement will be in writing and deemed to have been duly given as of the third
25 business day after mailing by United States mail, or the day sent by email or messenger, addressed as
26 follows:

27 To Plaintiff:

28 Jonathan M. Genish (jgenish@blackstonepc.com)
Miriam Schimmel (mschimmel@blackstonepc.com)
Joana Fang (jfang@blackstonepc.com)

Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
(310) 622-4278

To Defendant:

Nicole Kamm (nkamm@fisherphillips.com)
Joel Moon (jmoon@fisherphillips.com)
Fisher & Phillips LLP
21600 Oxnard Street, Suite 650
Woodland Hills, CA 91367
(818) 230-4250

Cynthia Elkins (celkins@employer-law.com)
Elkins Employment Law
21860 Burbank Boulevard, Suite 630 North Building
Woodland Hills, CA 91367
(818) 598-6771

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: April ²⁶ __, 2023

PLAINTIFF



Alejandro Valdez

Dated: April __, 2023

C.H.I. AUTOMART, INC., DEFENDANT

Name: _____
Title: _____

Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
(310) 622-4278

To Defendant:

Nicole Kamm (nkamm@fisherphillips.com)
Joel Moon (jmoon@fisherphillips.com)
Fisher & Phillips LLP
21600 Oxnard Street, Suite 650
Woodland Hills, CA 91367
(818) 230-4250

Cynthia Elkins (celkins@employer-law.com)
Elkins Employment Law
21860 Burbank Boulevard, Suite 630 North Building
Woodland Hills, CA 91367
(818) 598-6771

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: April __, 2023

PLAINTIFF

Alejandro Valdez

Dated: ^{4/25/2023} April __, 2023

C.H.I. AUTOMART, INC., DEFENDANT

DocuSigned by:

Robert Robertson

DCFAB5CEBE344E4...

Name: Robert Robertson

Title: OWNER

1 APPROVED AS TO FORM:

2
3 DATED: April __, 2023

BLACKSTONE LAW, APC

4
5 By: _____
6 Jonathan Genish
7 Miriam Schimmel
8 Joana Fang
9 Attorneys for Plaintiff

10 DATED: April __, 2023

FISHER & PHILLIPS, LLP

11
12 By: _____
13 Nicole Kamm
14 Joel Moon
15 Attorneys for Defendant

16 DATED: April 25, 2023

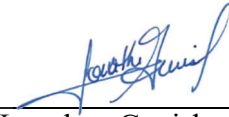
ELKINS EMPLOYMENT LAW

17
18 By: Cynthia Elkins
19 Cynthia Elkins
20 Attorneys for Defendant
21
22
23
24
25
26
27
28

1 APPROVED AS TO FORM:

2
3 DATED: April 26, 2023

BLACKSTONE LAW, APC

4
5 By: 

Jonathan Genish
Miriam Schimmel
Joana Fang
Attorneys for Plaintiff

6
7
8
9 DATED: April 26, 2023

FISHER & PHILLIPS, LLP

10
11
12 By: 

Nicole Kamm
Joel Moon
Attorneys for Defendant

13
14
15 DATED: April __, 2023

ELKINS EMPLOYMENT LAW

16
17
18 By: _____

Cynthia Elkins
Attorneys for Defendant

EXHIBIT 2

Jonathan M. Genish (State Bar No. 259031)
jgenish@blackstonepc.com
Miriam L. Schimmel (State Bar No. 185089)
mschimmel@blackstonepc.com
Joana Fang (State Bar No. 309623)
jfang@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Telephone: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiff ALEJANDRO VALDEZ

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ALEJANDRO VALDEZ, individually and on
behalf of others similarly situated;

Plaintiff,

vs.

C.H.I. AUTOMART, INC., a California limited
liability corporation; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 21STCV40168

Assigned to the Hon. Lawrence P. Riff, Dept. 7

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

Date: August 15, 2023

Time: 10:00 a.m.

Dept.: 7

Complaint Filed: November 1, 2021

1 **[PROPOSED] ORDER**

2 On August 15, 2023, at 10:00 a.m. in Department 7 of the above-captioned Court located at
3 312 North Spring Street, Los Angeles, California 90012, Plaintiff, Alejandro Valdez's ("Plaintiff")
4 Motion for Preliminary Approval of Class Action and PAGA Settlement came on for hearing before
5 the Honorable Lawrence P. Riff. Blackstone Law, APC appeared on behalf of Plaintiff and Fisher &
6 Phillips LLP and Elkins Employment Law appeared on behalf of Defendant C.H.I. Automart, Inc.
7 ("Defendant").

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

11 **IT IS HEREBY ORDERED THAT:**

12 1. The Court preliminarily approves the Joint Stipulation of Class Action and PAGA
13 Settlement ("Settlement," "Agreement," or "Settlement Agreement"), attached as Exhibit B to the
14 Declaration of Jonathan M. Genish in Support of Motion for Preliminary Approval of Class Action
15 Settlement. This is based on the Court's determination that the Settlement falls within the range of
16 possible approval as fair, adequate, and reasonable.

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

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

27 4. The Court preliminarily finds that the Settlement, including the allocations for
28 attorneys' fees in an amount not to exceed 33% of the Gross Settlement Payment, reimbursement of
litigation costs and expenses in an amount not to exceed \$20,000.00, a class representative service

1 payment in the amount of \$5,000.00, LWDA Payment of \$10,000.00, and payments to the
2 Participating Class Members provided thereby, appear to be within the range of reasonableness of a
3 settlement that could ultimately be given final approval by this Court. Indeed, the Court has reviewed
4 the monetary recovery that is being granted as part of the Settlement and preliminarily finds that the
5 monetary settlement awards made available to the Settlement Class Members are fair, adequate, and
6 reasonable when balanced against the probable outcome of further litigation relating to certification,
7 liability, and damages issues and are consistent with the requirements of California Labor Code §
8 2699(1).

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

19 6. The Court conditionally certifies, for settlement purposes only, the Settlement Class,
20 defined as follows:

21 "all current and former non-exempt or hourly paid employees of Defendant
22 that have worked for Defendant in the State of California during the Class
23 Period."

24 7. The Court provisionally appoints Jonathan M. Genish of Blackstone Law, APC as
25 counsel for the Settlement Class ("Class Counsel").

26 8. The Court provisionally appoints Plaintiff Alejandro Valdez as the representative of
27 the Settlement Class ("Class Representative").

28 9. The Court provisionally appoints ILYM Group, Inc. ("ILYM") to handle the
administration of the Settlement ("Settlement Administrator").

1 10. Within seven (7) calendar days after entry of this Order, Defendant will deliver the
2 Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class
3 Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class
4 Data only for purposes of this Settlement and for no other purpose, and restricts access to the Class
5 Data to Administrator employees who need access to the Class Data to effect and perform under the
6 Settlement Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it
7 discovers that the Class Data omitted class member identifying information and to provide corrected
8 or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which
9 Defendant must send the Class Data to the Administrator, the Parties and their counsel will
10 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to
11 missing or omitted Class Data. The Court approves, both as to form and content, the Notice of Class
12 Action Settlement ("Class Notice") attached hereto as Exhibit 1. The Class Notice shall be provided
13 to Settlement Class Members in the manner set forth in the Settlement Agreement. The Court finds
14 that the Class Notice appears to fully and accurately inform the Settlement Class Members of all
15 material elements of the Settlement, of Settlement Class Members' right to be excluded from the
16 Settlement by submitting a written request for exclusion, of Settlement Class Members' right to
17 dispute the Workweeks credited to each of them by submitting a Dispute, and of each Participating
18 Class Member's right and opportunity to object to the Settlement by mailing a written statement of
19 objection to the Settlement Administrator. The Court further finds that distribution of the Class Notice
20 substantially in the manner and form set forth in the Settlement Agreement and this Order, and that all
21 other dates set forth in the Settlement Agreement and this Order, meet the requirements of due process
22 and shall constitute due and sufficient notice to all persons entitled thereto. No later than three (3)
23 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list
24 has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA
25 Pay Periods in the Class Data. The Court further orders the Settlement Administrator to mail the Class
26 Notice by first-class U.S. mail to all Settlement Class Members within fourteen (14) calendar days of
27 receipt of the Class Data, pursuant to the terms set forth in the Settlement Agreement.

28 11. The Court hereby preliminarily approves the proposed procedure, set forth in the

1 Settlement Agreement, for seeking exclusion from and objecting to the Settlement. Settlement Class
2 Members will have sixty (60) calendar days from the initial mailing of the Class Notice to (“Response
3 Deadline”) to object to the approval of this Settlement by fax, email, or mail, plus an additional
4 fourteen (14) calendar days for Class Members whose Class Notice was re-mailed. In the alternative,
5 Class Members may also appear, or hire an attorney to appear in Court, and object at the Final
6 Approval Hearing. Class Members who wish to opt out of the Class Settlement must send the
7 Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60)
8 calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar
9 days for Class Members whose Class Notice is re-mailed). Any such person who timely and validly
10 chooses to opt out of, and be excluded from, the Settlement will not be entitled to any recovery under
11 the Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment
12 thereon. Settlement Class Members who have not submitted a timely and valid request to be excluded
13 from the Settlement (i.e., Participating Class Member) shall be bound by the Settlement Agreement
14 and any final judgment based thereon.

15 12. A Final Approval Hearing shall be held before this Court on December 14, 2023 at
16 10:00 a.m. in Department 7 of the Los Angeles County Superior Court, located at 312 North Spring
17 Street, Los Angeles, California 90012, to determine all necessary matters concerning the Settlement,
18 including: whether the proposed settlement of the action on the terms and conditions provided for in
19 the Settlement is fair, adequate, and reasonable and should be finally approved by the Court; whether
20 a judgment, as provided in the Settlement, should be entered herein; whether the plan of allocation
21 contained in the Settlement should be approved as fair, adequate, and reasonable to the Settlement
22 Class Members; and determine whether to approve the requests for the Attorneys’ Fees and Costs and
23 Service Payments.

24 13. Class Counsel shall file a motion for final approval of the Settlement and for Attorneys’
25 Fees and Costs and Service Payments, along with the appropriate declarations and supporting
26 evidence, including the Settlement Administrator’s declaration, by November 21, 2023, to be heard at
27 the Final Approval Hearing.

28 14. In the event the Settlement does not become effective in accordance with the terms of

1 the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled, or
2 fails to become effective for any reason, this Order shall be rendered null and void, shall be vacated,
3 and the parties shall revert back to their respective positions as of before entering into the Settlement
4 Agreement. The fact that the Court certified the Class for settlement purposes shall not be admissible
5 or have any bearing on the issue of whether any class should be certified in a non-settlement context.

6 15. The Court reserves the right to adjourn or continue the date of the Final Approval
7 Hearing and any dates provided for in the Settlement Agreement without further notice to the
8 Settlement Class Members and retains jurisdiction to consider all further applications arising out of or
9 connected with the Settlement.

10 **IT IS SO ORDERED.**

11
12 Dated: 08/21/2023



A handwritten signature in black ink, appearing to read "Lawrence P. Riff".

Lawrence P. Riff / Judge

The Honorable Lawrence P. Riff
Judge of the Superior Court

EXHIBIT 1

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

Alejandro Valdez v. C.H.I. Automart, Inc.

Superior Court of the State of California for the County of Los Angeles, Case No. 21STCV40168

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit ("Action") against C.H.I. Automart, Inc. ("C.H.I." is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former employee Alejandro Valdez ("Plaintiff") and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees ("Class Members") who worked for C.H.I. during the Class Period (November 1, 2017 to December 8, 2022); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for C.H.I. during the PAGA Period (September 29, 2020 to December 8, 2022) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring C.H.I. to fund Individual Class Payments, and (2) a PAGA Settlement requiring C.H.I. to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on C.H.I.'s records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to C.H.I.'s records you are not eligible for an Individual PAGA Payment under the Settlement because you did not perform work during the PAGA Period.)

The above estimates are based on C.H.I.'s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires C.H.I. to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against C.H.I.

If you worked for C.H.I. during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

1. **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Settlement Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against C.H.I.
2. **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against C.H.I., and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

C.H.I. will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against C.H.I. that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [REDACTED]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Settlement Class Member and no longer eligible for an Individual Class Payment. Non-Settlement Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. C.H.I. must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out ("Settlement Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Settlement Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to C.H.I.'s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former C.H.I. employee. The Action accuses C.H.I. of violating California labor laws and alleges that C.H.I. failed to pay all wages due, including regular wages, premium wages, overtime wages, minimum wages, meal period premiums, and rest period premiums; failed to timely pay wages upon termination; failed to timely pay wages during employment; failed to issue compliant wage statements; failed to maintain accurate payroll records; and engaged in unfair business practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Jonathan Genish, Miriam Schimmel, and Joana Fang of Blackstone Law, APC ("Class Counsel.")

C.H.I. strongly denies it violated any laws or failed to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether C.H.I. or Plaintiff is correct on the merits. In an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation, Plaintiff and C.H.I. hired Marc Feder, Esq., an experienced, neutral mediator. On January 12, 2023, the Parties participated in a mediation and reached this Settlement. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and C.H.I. have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, C.H.I. does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) C.H.I. has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved

the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. C.H.I. Will Pay \$400,000 as the Gross Settlement Amount. C.H.I. has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, C.H.I. will fund the Gross Settlement Amount no later than 30 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Settlement Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$133,333.33 (one-third of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000 for a Class Representative Award to the Plaintiff. The Class Representative Award is for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$8,000 to the Administrator for services administering the Settlement.
 - D. Up to \$10,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Settlement Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement Amount") by making Individual Class Payments to Settlement Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and C.H.I. are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. C.H.I. will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and C.H.I. have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED] (“Response Deadline”), that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, the case name and number of the Action (*Alejandro Valdez v. C.H.I. Automart, Inc.*, Case No. 20STCV40168), the last four digits of your Social Security number, and a simple statement requesting to be excluded from the Settlement. Excluded Class Members (i.e., Non-Settlement Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against C.H.I.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Settlement Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against C.H.I. based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and C.H.I. have agreed that, in either case, the

Settlement will be void: C.H.I. will not pay any money and Class Members will not release any claims against C.H.I.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over work weeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Settlement Class Members’ Release. After the Judgment is final and C.H.I. has fully funded the Gross Settlement and separately paid all employer payroll taxes, Settlement Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against C.H.I. or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement. The Settlement Class Members will be bound by the following release:

Upon final approval by the Court of this Settlement and upon remittance of the Gross Settlement Amount by C.H.I. to the Settlement Administrator, all Participating Class Members shall, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, but not limited to (1) Failure to Pay Overtime (Cal. Lab. Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Lab. Code § 226.7); (4) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197 and 1197.1); (5) Failure to Pay Wages Timely Upon Termination (Cal. Lab. Code §§ 201, 202 and 203); (6) Failure to Pay Timely Wages During Employment (Cal. Lab. Code §§ 204 and 210); (7) Failure to Provide Accurate Wage Statements (Cal. Lab. Code § 226(a) and IWC Wage Order); (8) Failure to Reimburse Business Expenses (Cal. Lab. Code §§ 2800 and 2802); (9) Unfair Competition in Violation of Business & Professions Code Section 17200; and (10) all claims under California’s Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2699 et seq.).

10. Aggrieved Employees’ PAGA Release. The Aggrieved Employees’ Releases for Settlement and Non-Settlement Class Members are as follows:

Upon final approval by the Court of this Settlement and upon remittance of the Gross Settlement Amount by C.H.I. to the Settlement Administrator, All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that

were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action including, but not limited to (1) Failure to Pay Overtime (Cal. Lab. Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Lab. Code § 226.7); (4) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197 and 1197.1); (5) Failure to Pay Wages Timely Upon Termination (Cal. Lab. Code §§ 201, 202 and 203); (6) Failure to Pay Timely Wages During Employment (Cal. Lab. Code §§ 204 and 210); (7) Failure to Provide Accurate Wage Statements (Cal. Lab. Code § 226(a) and IWC Wage Order); (8) Failure to Reimburse Business Expenses (Cal. Lab. Code §§ 2800 and 2802); (9) Unfair Competition in Violation of Business & Professions Code Section 17200; and (10) all claims under California's Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2699 et seq.).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Settlement Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$10,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in C.H.I.'s records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept C.H.I.'s calculation of Workweeks and/or Pay Periods based on C.H.I.'s records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Settlement Class Members) and C.H.I.'s Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Settlement Class Members. The Administrator will send, by U.S. mail, a single check to every Settlement Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Settlement Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Settlement Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Alejandro Valdez v. C.H.I. Automart, Inc.*, Case No. 20STCV40168, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of your social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Settlement Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and C.H.I. are asking the Court to approve. At least 10 days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____(url) or the Court's website _____(url)_____.

A Settlement Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Alejandro Valdez v. C.H.I. Automart, Inc.*, Case No. 20STCV40168 and include your name, current address, telephone number, and approximate dates of employment for C.H.I. and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Settlement Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time) in Department 7 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything C.H.I. and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ILYM Group, Inc.'s website at _____ (url). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 20STCV40168. You can also make an appointment to personally review court documents in the Clerk's Office at the Spring Street Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Jonathan Genish (jgenish@blackstonepc.com)

Miriam Schimmel (mschimmel@blackstonepc.com)

Joana Fang (jfang@blackstonepc.com)

Blackstone Law, APC

8383 Wilshire Boulevard, Suite 745, Beverly Hills, CA 90211

Telephone: (310) 622-4278

Settlement Administrator:

ILYM Group, Inc.

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

10. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 3

From: [DIR PAGA Unit](#)
To: [Miriam Schimmel](#)
Subject: Thank you for your Proposed Settlement Submission
Date: Tuesday, June 6, 2023 3:23:53 PM

[External Email].

06/06/2023 03:22:55 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT 4

Date	Type of Expense	Description of Expense	Amount
7/21/2021	Mailing	Records Request	\$6.96
9/29/2021	Filing	LWDA: PAGA Notice	\$75.00
9/29/2021	Mailing	PAGA Letter to Cynthia Elkins	\$7.33
9/29/2021	Mailing	PAGA Letter to Robert J. Robertson	\$7.33
11/1/2021	Mailing	Amended PAGA Letter to Cynthia Elkins	\$7.53
11/1/2021	Mailing	Amended PAGA Letter to Agent	\$7.53
11/1/2021	Filing	First Legal: Complaint & Initiating Docs	\$1,623.45
11/1/2021	Mailing	Mailing of Notice of ISC Re to Agent	\$7.41
11/2/2021	Other	First Legal: Service of Complaint & Initiating Docs	\$218.20
11/3/2021	Filing	First Legal: Notice of Posting of Jury Fees	\$201.20
11/5/2021	Filing	First Legal: Proof of Service (Summons)	\$36.20
11/10/2021	Filing	First Legal: Proof of Service	\$36.20
12/7/2021	Filing	First Legal: Joint Stipulation Re Discovery & Mediation	\$514.70
12/14/2021	Mailing	Mailing of Notice of Entry of Order	\$1.06
1/4/2022	Filing	First Legal: Joint Stipulation to Amend Complaint	\$59.70
1/20/2022	Filing	First Legal: First Amended Complaint	\$37.70
1/20/2022	Other	Court Download: Signed Stipulation & Order to Amend Complaint	\$17.40
3/10/2022	Other	Case Anywhere	\$130.80
5/22/2022	Other	Payment to Marc Feder Re for Mediation	\$7,000.00
5/22/2022	Mailing	Mailing of Check to Marc Feder for Mediation	\$4.28
6/10/2022	Filing	First Legal: Notice of Withdrawal of S. Emi Minne as Counsel	\$37.70
6/13/2022	Other	Case Anywhere	\$120.00
7/6/2022	Filing	First Legal: Plaintiff's Notice of Case Reassignment	\$37.70
7/25/2022	Filing	First Legal: Status Conference Statement	\$37.70
8/2/2022	Other	Payment to Berger Consulting Group, LLC	\$1,250.00
8/2/2022	Mailing	Mailing of Check to Berger Consulting Group, LLC	\$0.57
9/13/2022	Other	Case Anywhere	\$138.00
9/20/2022	Filing	First Legal: Status Conference Statement	\$37.70
12/12/2022	Other	Case Anywhere	\$126.00
2/3/2023	Other	Payment to Berger Consulting Group, LLC	\$4,360.00
2/3/2023	Mailing	Mailing of Check to Berger Consulting Group, LLC	\$0.60
2/14/2023	Mailing	Mailing of Check to Berger Consulting Group, LLC	\$0.60
2/21/2023	Filing	First Legal: Joint Status Conference Report	\$39.95
3/6/2023	Other	Case Anywhere	\$126.00
6/6/2023	Filing	First Legal: Filing of MPA	\$102.35
6/8/2023	Filing	First Legal: Filing of Amended Notice of MPA Hearing	\$39.95
6/14/2023	Other	Case Anywhere	\$120.00
8/15/2023	Filing	First Legal: [Proposed] Order Granting MPA	\$83.70
8/22/2023	Filing	Steno: Filing of Notice of Entry of Judgment or Order (MPA)	\$99.95
9/6/2023	Other	Case Anywhere	\$132.00
	Filing	Estimated Cost: Filing of Motion for Final Approval	\$102.35
	Filing	Estimated Cost: Filing of Notice of Entry of Judgment or Order (MFA)	\$39.95
Total:			\$17,032.75