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Attorneys for Plaintiff Daniel Analco

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

DANIEL ANALCO, individually, and on behalf
of Aggrieved Employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

FELIX CHEVROLET, LP, a California limited
partnership; and DOES 1 through 25, inclusive,

Defendants.

Case No. 21STCV36654

Honorable Robert B. Broadbelt
Department 53

**DECLARATION OF JONATHAN M.
GENISH IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: August 4, 2022
Time: 10:00 a.m.
Dept.: 53

Complaint Filed: October 5, 2021
Trial Date: None Set

DECLARATION OF JONATHAN M. GENISH

I, Jonathan M. Genish, declare and state as follows:

1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a shareholder and the founder of Blackstone Law, APC (“Class Counsel”), attorneys of record for Plaintiff Daniel Analco (“Plaintiff”). I have personal knowledge of the facts contained herein, and, if called to testify I could and would competently do so.

Background and Experience

2. I am fully familiar with the legal and factual issues in this case and have specific experience litigating complex wage and hour actions as class actions, including employment cases as set forth above.

3. I received my law degree from Benjamin N. Cardozo School of Law and was admitted to the California State Bar in 2008. During law school, I clerked at the litigation firm Oved & Oved, LLP and was published several times in various small publications. Upon graduation, I was rehired by Freedman & Taitelman, LLP as an associate and remained employed there from September 2008 through August 2015. During my tenure, I managed hundreds (perhaps thousands) of complex litigation cases, ranging from employment, corporate, entertainment and general business litigation matters, though my primary area of expertise was employment, both single plaintiff and representative actions.

4. On the vast majority of those cases, I was the only or primary attorney managing the case and thus obtained extensive experience. In that capacity, I conducted wage and hour and wrongful termination labor and employment intakes; was the primary contact for all clients; took and defended hundreds (if not thousands) of depositions; propounded and responded to all discovery; prepared and opposed all motions and pleadings, including dispositive and certification motions; strategized on all cases; attended all hearings; attended all mediations; coordinated with class action administrators; prepared and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all other intricate facets of litigation. During that time, I represented a wide range of clients from sole proprietorships to Fortune 500 companies in state, federal, complex and appellate courts. Many of the cases I managed were highly publicized, with articles written about them in the

1 Los 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 plaintiffs labor and employment law firm of Blackstone
4 Law, APC. The firm has grown exponentially over the past three-plus years, now maintaining five
5 highly pedigreed attorneys working on almost exclusively labor and employment class actions, Labor
6 Code Private Attorney General Act of 2004 (“PAGA”) cases, and individual matters, and other private
7 attorney representative actions, with roughly 15% of the firm focused on other complex general
8 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 • *DiRico v. Seek Capital, LLC*, Los Angeles Superior Court, Case No. BC698078, a wage
13 and hour class action brought on behalf of a class of hourly-paid employees working the
14 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 7. I was counsel of record on several class action and PAGA actions that have since been
25 resolved, the most recent of which are as follows:

- 26 • *Maria Castillo-Rodriguez v. HR Outsourcing Associates, LLC*, Los Angeles Superior
27 Court, Case No. 20STCV44138, a wage and hour PAGA action.
- 28 • *Cruz v. LK Plumbing & Heating, Inc.*, Los Angeles Superior Court, Case No.

BC686825, a wage and hour PAGA action.

- *Savoy v. Collector's Universe, Inc., et al.*, Central District Court of California, Case No.: 8:20-cv-00632-DOC-ADS (recently remanded to Orange County Superior Court, Case No. 30-2020-01130892-CU-RI-CXC), a consumer fraud class action.

8. I am currently the managing partner overseeing roughly 100 labor and employment cases, approximately 80% of which include a wage and hour component. More than a dozen of these 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 October 5, 2021, Plaintiff provided notice to the LWDA and to Defendant of his intent to seek civil penalties pursuant to the Private Attorneys General Act, Labor Code section 2698, et seq. ("PAGA"). A true and correct copy of Plaintiff's notice to the LWDA is attached hereto as **Exhibit A**. On October 5, 2021, Plaintiff filed his complaint in Los Angeles County Superior Court. He alleged one cause of action pursuant to PAGA. Plaintiff sought PAGA penalties for Defendant's failure to pay overtime wages (Labor Code §§ 510 and 1198), failure to pay minimum wages (Labor Code §§ 1194, 1197, and 1197.1), failure to provide meal periods (Labor Code §§ 226.7 and 512(a)), failure to provide rest periods (Labor Code § 226.7), failure to timely pay wages during employment (Labor Code § 204), failure to timely pay wages upon termination (Labor Code §§ 201, 202, and 203), failure to provide accurate itemized wage statements (Labor Code § 226(a)), failure to keep complete and accurate payroll records (Labor Code § 1174(d)), and failure to reimburse business expenses (Labor Code §§ 2800 and 2802).

10. The parties met and conferred with respect to the potential resolution of this action by means of a private mediation and agreed to exchange informal discovery as part of that process. Pursuant to this agreement to mediate, Defendant produced a random sampling of aggrieved employees time and pay records, as well as information and documents concerning the claims set forth in Plaintiff's Complaint, including but not limited to, Defendant's employee handbook and relevant wage and hour policies, meal and rest periods, and business expense reimbursements.

11. After a thorough investigation and analysis of these documents and data, on March 3,

2022, the parties attended a formal mediation with Steven G. Pearl, a neutral and respected mediator with extensive experience in complex wage and hour matters. At the mediation, the Parties engaged in intensive settlement discussions during which they debated their respective positions and exchanged views regarding the strengths and weaknesses of the alleged claims. At all times, Plaintiff and Class Counsel were willing and prepared to litigate this matter through class certification and trial if the parties had been unable to reach a favorable resolution. After a full day of mediation, and with the help of the mediator, the Parties were able to reach an agreement to resolve this dispute on a class and representative basis and shortly thereafter executed a memorandum of understanding memorializing the key settlement terms.

12. Following mediation, the parties worked diligently to negotiate and memorialize the terms in a long form settlement agreement. On May 31, 2022, after additional discussions and revisions to the agreement, the Settlement Agreement was fully executed.

13. Attached hereto as **Exhibit B** is a true and correct copy of the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) entered into between Plaintiff Daniel Analco, individually and on behalf of all others similarly situated and on behalf of other aggrieved employees, on one hand, and Defendant Felix Chevrolet, LP on the other hand (collectively, the “Parties”).

14. On May 5, 2022, per the Agreement, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code section 2698 et seq. (“FAC”). Plaintiff brought the following claims: 1. Violation of Cal. Labor Code §§ 510 and 1198 (Unpaid Overtime); 2. Violation of Cal. Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); 3. Violation of Cal. Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); 4. Violation of Cal. Labor Code § 226.7 (Unpaid Rest Period Premiums); 5. Violation of Cal. Labor Code §§ 201, 202 and 203 (Final Wages Not Timely Paid); 6. Violation of Cal. Labor Code § 226(a) (Failure to Provide Accurate Wage Statements); 7. Violation of Cal. Labor Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); 8. Violation of Cal. Business & Professions Code § 17200, et seq.; and 9. Violation of Cal. Labor Code § 2699, et seq. (Private Attorneys General Act).

Summary of the Terms of the Settlement Agreement

15. For purposes of settlement only, the Parties have agreed that the Class shall be defined as “(i) all PAGA Members; and (ii) all individuals who worked for Defendant as hourly-paid and/or non-exempt employees, but excluding those employed as commissioned vehicle salespeople, in the State of California at any time during the Class Period who have not previously released their employment-related claims against Defendant.” (“Class Members” or “Class”). The Class Period and release of claims begins on March 3, 2018, and ends on May 2, 2022. It is estimated that there are 122 Class Members.

16. The parties have agreed to settle the Class and PAGA claims at issue in the FAC for a non-reversionary Gross Settlement Payment of Three Hundred Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$337,500.00), exclusive of any employer-side payroll taxes. The Gross Settlement Payment includes: (1) Class Counsel’s fees in the amount of thirty-three percent (33%) of the Gross Settlement Payment, equaling One Hundred Twelve Thousand Five Hundred and Zero Cents (\$112,500.00); (2) Class Counsel’s actual litigation costs, not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00); (3) Settlement Administration Costs, capped at Ten Thousand Dollars and Zero Cents (\$10,000.00); (4) Class Representative Incentive Payment in the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff; and (5) PAGA Penalties of Twenty Five Thousand Dollars and Zero Cents (\$25,000.00). After the above-estimated amounts are deducted from the Gross Settlement Payment, approximately 122 Class Members will share in a Net Settlement Fund of approximately One Hundred and Fifty-Two Thousand Five Hundred Dollars and Zero Cents (\$152,500.00).

17. The Net Settlement Fund will be distributed and paid to Participating Class Members on a pro-rata basis based on the number of workweeks worked during the Class Period. This will provide Participating Class Members with an average estimated payment of \$1,300.00. The actual payments to Participating Class Members will vary based on the actual weeks worked by Participating Class Members and shall be confirmed by the Settlement Administrator in advance of the final approval hearing.

18. In addition, employees who worked during the PAGA Period shall receive a share of

1 25% portion of the PAGA Penalties designated for distribution to PAGA Members. These payments
2 will be distributed on a pro-rata basis based on the number of workweeks worked during the PAGA
3 Period.

4 19. Payments to Participating Class Members will be allocated as 20% wages, 40%
5 interest, and 40% penalties. The employee share of any applicable payroll taxes on wages will be
6 deducted from the wage portion of each Participating Class Member's Individual Settlement Payment.
7 Employer-side payroll taxes shall be paid by Defendant separately from and in addition to the Gross
8 Settlement Payment.

9 20. The Settlement Agreement is a non-reversionary and non-claims made settlement. All
10 money from the Net Settlement Fund will be distributed to Participating Class Members. No money
11 will revert to Defendant.

12 21. Any Individual Settlement Payment checks remaining uncashed after 180 days will be
13 transferred to the California State Controller's Office and held in trust for such Participating Class
14 Members and PAGA Members. As such, no "unpaid residue" under California Code of Civil
15 Procedure section 384 will result from the Settlement.

16 22. In exchange for participating in the settlement, Participating Class Members will
17 release their wage and hour claims against Defendant; however, the release for Participating Class
18 Members is narrowly tailored to only release claims based upon the facts alleged in the FAC during
19 the Class Period.

20 **The Settlement is Reasonable**

21 ***Method of Distribution***

22 23. The proposed settlement is based on the number of workweeks worked by the
23 Settlement Class Members. This method is commonly used in wage and hour class actions because it
24 relies upon objective evidence of the total days of employment, which Settlement Class Members can
25 easily review and confirm for themselves. This information is readily available from Defendant's
26 records, and the Settlement Administrator can apply the formula for determining each Participating
27 Class Member's Individual Settlement Share in a fair and transparent manner.

28 24. In addition, this method of distribution is commonly used in wage and hour class

actions because it allows for a distribution that corresponds closely to the alleged damages since employees experience the same working conditions, so their damages are directly related to the amount of time that they were employed.

Discovery and Informed Arms-Length Negotiations

25. During settlement discussions, the Parties conducted their negotiations at arm's-length, in an adversarial position. Arriving at a settlement that was acceptable to all Parties was difficult. Defendant and its counsel felt strongly about their ability to defeat a motion for class certification and to prevail on the merits at trial, whereas Plaintiff and her counsel strongly believed that they would be able to certify the class and prevail at trial. After conducting extensive investigations informal discovery, exchange of information, and settlement negotiations, the Parties have agreed that this matter is well-suited for settlement, given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would come with further litigation. The Settlement is a fair, reasonable, and adequate resolution of the settled claims of Plaintiff and the Participating Class Members against the Released Parties.

26. The large volume of data and documents that Class Counsel reviewed and analyzed included, but was not limited to, time and pay records, as well as information and documents concerning the claims set forth in Plaintiff's FAC, such as Defendant's employee handbook and relevant wage and hour policies, information regarding the number of putative class members and the number of current versus former employees, the total workweeks worked by the Class Members, the dates of employment for the Class Members, and the rates of pay for each Class Member. This allowed Class counsel to conduct an informed assessment and analysis of the potential class-wide damages. The Parties extensively briefed issues regarding class certification and liability and provided their analyses to the mediator who helped the Parties debate the strengths and weakness of their respective positions. Class Counsel also invested time researching and investigating the applicable law, which is constantly evolving as it relates to certification, representative PAGA claims, off-the-clock theories, meal and rest period claims, wage and hour enforcement, Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered.

1 ***Estimate of Potential Value of Class Claims***

2 27. My office analyzed all available data and estimated Defendant's maximum potential
3 exposure to be approximately \$4,443,700.00, assuming the litigation was successful at trial on all
4 claims at issue, and then reduced this exposure analysis based on the likelihood of obtaining class
5 certification, prevailing at trial, and other attendant risks. This amount is based on the total estimated
6 maximum liability for all the workweeks at the time of mediation. Based on the average rate of pay
7 calculated from data provided by Defendant, I estimated the total meal break damages owed to be
8 approximately \$369,600.00 for all class members during the class period. Rest breaks were
9 unrecorded, and were thus difficult to gauge. However, based on the same types of practices that were
10 leading to employees missing meal breaks, or receiving short and late meal periods, I estimated there
11 would be approximately \$369,600.00 in potential damages. Plaintiff's claims for overtime and
12 minimum wage and claims were based on off-the-clock work performed including off-the-clock work
13 before and after employees' scheduled shifts. Based on these practices, I estimated that Defendant
14 owed the class approximately \$645,150.00 in unpaid wages. I estimated that waiting time penalties
15 amounted to approximately \$1,900.00, and that wage statement penalties amounted to approximately
16 \$2,285,250.00. My analysis regarding Plaintiff's PAGA penalties estimated that there were
17 potentially \$402,600.00 in potential penalties. However, during the mediation, Defendant raised
18 several issues which impacted the risks attendant to proceeding on a class-wide basis.

19 ***Specific Risks Considered***

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

23 29. Class Counsel are aware of Defendant's defenses and arguments, and have also taken
24 into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays
25 inherent in such litigation, including those involved in class and/or representative adjudication.
26 Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted
27 in the Lawsuit, Defendant's defenses, and the difficulties in establishing entitlement to monetary
28 recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations

1 of the mediator, who is experienced and well regarded in complex labor and employment matters.

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

10 31. For example, a large portion of Defendant's overall liability lies in Plaintiff's meal
11 period claims. These claims have been increasingly difficult to certify in recent years and Defendant
12 contended its practices were lawful. We had to consider the risk that the Court would find validity in
13 the individualized proof defense to certification of Plaintiff's meal period claim. Plaintiff's theory of
14 liability for meal period violations was based on allegations that Defendant had failed to implement
15 lawful policies and practices that allowed Class Members to take meal breaks in the manner required
16 under California law. In contrast, Defendant argued that its practices at all times during the class
17 period were lawful. Defendant argued that the rate of purported meal period violations reflected in the
18 data would require individualized inquiry and that such inquiry would prohibit a class from being
19 certified. Class Counsel disagreed with this assessment but had to consider the risk that the Court
20 would find validity in an individualized proof defense to certification of Plaintiff's meal period claim.

21 32. Similarly, Plaintiff will likely face difficulties proving the alleged rest period violations
22 as Defendant was not required to record these breaks. Plaintiff's rest period allegations were based
23 on a similar lack of written policy and failure to provide employees with timely, full, and uninterrupted
24 rest periods. As with the meal period allegations, Defendant contended that it provided rest breaks
25 and relieved Class Members of all duties as required under California law. Additionally, this claim
26 was even more uncertain given the difficulties associated with proving the alleged rest period
27 violations, as Defendant was not required to record these breaks. Given the lack of records
28 demonstrating rest period violations, there were legitimate concerns Plaintiff would not be able to

1 certify these claims or prove substantial damages with requisite certainty. As such, even if Plaintiff
2 established a uniform policy or practice and obtained class certification, there is a substantial risk that
3 she would have difficulty proving damages with the requisite certainty.

4 33. Plaintiff also faced challenges certifying and proving liability for her minimum wage
5 and overtime claims. These claims were largely based on unrecorded, off-the-clock work performed
6 by the Class Members both before and after their shifts. As such, the individualized nature of the
7 damages presented substantial concerns regarding the manageability of the case and the risk the Court
8 could find these issues prevented certification. Plaintiff's reimbursement claims would likewise
9 present similar problems of individualized proof.

10 34. Both sides have had the opportunity to interview witnesses and review documents and
11 information relating to Plaintiff's and the Settlement Class Members' employment with Defendant,
12 and Defendant's operations and employment policies, practices, and procedures. The Parties also
13 reviewed and analyzed hundreds of pages of documents and data, including but not limited to a
14 sampling of the time and pay data of the Settlement Class Members, to determine the potential value
15 and strength of the claims. The available information enabled Class Counsel to estimate the potential
16 claims of the Settlement Class and prepare damages/valuation models. Accordingly, the Parties have
17 conducted adequate investigation and discovery to be sufficiently informed of the nature and extent of
18 the Settlement Class Members' claims, and to enable both sides to fully evaluate the Settlement for its
19 fairness, adequacy, and reasonableness. The Parties have agreed that the matter is well-suited for
20 settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks
21 to both sides that would attend further litigation. The Settlement takes into account the strengths and
22 weaknesses of each side's position and the uncertainty of how the case might have concluded at trial,
23 and/or after exhaustion of all appeals.

24 35. My office recognized that, even if Plaintiff prevailed at class certification, proving the
25 amount of wages due to each Class Member would be an expensive, time-consuming, and extremely
26 uncertain proposition. In order to prove liability and damages, my office will need to request and
27 analyze thousands of pages of documents, obtain the Class Members' contact information, contact
28 them, and obtain declarations. Obtaining the cooperation of current employees would also be difficult,

1 given the likely reluctance to aid prosecution of a lawsuit against a current employer. Moreover, even
2 if Plaintiff prevailed at class certification and trial, possible appeals would substantially delay any
3 recovery by the Class.

4 36. My office also separately contemplated the risks of proceeding with the PAGA action
5 and potential liability Defendant could face from this claim. The Parties agreed during settlement
6 negotiations to allocate \$25,000.00 of the Settlement towards the PAGA claims, which represents
7 approximately 7.4% of the Gross Settlement Payment. This percentage of the settlement is well-within
8 the range of wage and hour settlements regularly approved in both state and federal court for cases
9 that include both a class and PAGA action. Typically, such hybrid cases allocate only 1% of the gross
10 settlement value to resolve PAGA claims, and, indeed, settlement allocations of as little as 0.22% of
11 the gross settlement amount have been approved as reasonable by courts. *See, e.g., Bararsani v.*
12 *Coldwell Banker Residential Brokerage Company*, Los Angeles Superior Court Case No. BC495767
13 (2016) (\$10,000 allotted as PAGA penalties or 0.22% of \$4,500,000 settlement amount); *Davis v.*
14 *Brown Shoe Co.*, 2015 U.S. Dist. LEXIS 149010 (E.D. Cal. 2015) (PAGA Payment of \$5,000 in a
15 \$1.5 million class settlement); *Lusby v. Gamestop Inc.*, 2015 U.S. Dist. LEXIS 42637 (N.D. Cal. 2015)
16 (PAGA Payment of \$5,000 in a \$500,000 class settlement); *Martinov. Ecolab Inc.*, No. 3: 14CV04358
17 (N.D. Cal. 201 7) (\$100,000 allotted as PAGA penalties or 0.48% of \$21,000,000 settlement amount);
18 *Zamora v. Ryder Integrated Logistics, Inc.*, 2014 U.S. Dist. LEXIS 184096 (S.D. Cal. 2014) (\$7,500
19 payment to LWDA for PAGA on a \$1.5 million class settlement).

20 37. In allocating \$25,000.00 to Plaintiff's PAGA claims, my office considered that PAGA
21 penalties would be subject to the same defenses and risks as Plaintiff's class claims, as well as defenses
22 unique to PAGA. Even if Plaintiff were successful on the merits at trial, the imposition of cumulative
23 civil penalties based on the alleged wage and hour violations could be considered unjust, arbitrary and
24 oppressive, or confiscatory, and Defendant could argue that it made a good faith attempt to comply
25 with its legal obligations warranting a reduction in penalties. Class Counsel was also mindful of the
26 fact that PAGA is fundamentally not intended to be compensatory in nature, but is instead intended to
27 facilitate enforcement of California's labor laws by financing state activities and educating and
28 deterring non-compliance.

1 38. Therefore, after considering this multitude of factors, Plaintiff and Class Counsel
2 concluded that it was in the best interest of the State of California and the Aggrieved Employees to
3 enter into the Settlement, and to allocate Twenty-Five Thousand Dollars (\$25,000.00) of the
4 Settlement towards the PAGA claims, which represents approximately 7.4% of the Gross Settlement
5 Payment. This percentage of the settlement is well-within the range of wage and hour settlements
6 regularly approved in both state and federal court for cases that include both a class and PAGA action.
7 Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims,
8 and, indeed, settlements allocations as little as 0.22% of the gross settlement amount have been
9 approved as reasonable by courts. Moreover, the overall relief obtained by the Settlement is
10 significant, not only from a monetary perspective, but also because it fulfills the public policy
11 objectives of PAGA—to promote enforcement of California’s labor laws, provide funds to the state,
12 and deter future non-compliance by the employer.

13 39. In consideration of the risks regarding certification of the class claims, Class Counsel
14 discounted Defendant’s estimated liability by approximately 50%. In light of merits-based risk factors
15 even if a class were certified, Class Counsel reduced Defendant’s estimated liability an additional
16 40%. This resulted an adjusted estimated liability of \$444,370.00.

17 40. I therefore submit that the Settlement is fair, reasonable, and adequate. The Settlement
18 is in the best interest of the Class Members and is within the accepted range of recoveries for this type
19 of litigation given the inherent risk of litigation, the risk of obtaining and maintaining class
20 certification, and the costs of further litigation.

21 ***Class Representative Enhancement Award***

22 41. As part of the settlement agreement, Plaintiff is requesting a reasonable enhancement
23 award of \$7,500.00 to named Plaintiff Daniel Analco. This enhancement is eminently reasonable
24 given the time and effort Plaintiff spent on this case, and the benefit to the other putative class members
25 as a result of Plaintiff’s actions. Plaintiff’s Motion for Final Approval will expand on Plaintiff’s
26 participation in the lawsuit and additional reasons regarding the reasonableness of the enhancement
27 award. Notice of the requested enhancement award is disclosed to the Class Members in the Notice
28 of Class Action Settlement.

Attorneys' Fees and Costs

42. The attorneys' fees incurred by Class Counsel are in line with the common fund requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to thirty-three percent (33%) of the Gross Settlement Payment (i.e., \$112,500.00) and actual litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars (\$30,000.00), which will be paid out of the Gross Settlement Payment, subject to approval by the Court. Class Counsel have borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

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

44. Class Counsel have litigated this matter for close to a year and were actively preparing this matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of the legal services provided, the time incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the requested award of fees and costs is included in the Notice to the Class. (See Settlement Agreement, Exh. 1).

Notice to the Class

45. The Parties have agreed to retain ILYM Group, Inc. ("ILYM" or "Settlement Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint ILYM to handle these procedures and to serve as the Settlement Administrator. Defendant will provide ILYM with the Class List and ILYM will calculate each Settlement Class Member's estimated Individual Settlement Share. ILYM will also receive requests for exclusion from the Settlement, objections to the Settlement, and disputes about the number of

1 workweeks worked; will provide necessary reports and declarations; will calculate, subtract, and
2 transmit the employees' and employer's share of taxes and withholdings with respect to the wages
3 portion of the Individual Settlement Shares; will prepare and submit informational and other tax filings
4 and documents; will issue and transmit all payments provided for by the Settlement, including, but not
5 limited to, mailing Individual Settlement Payment checks to the Participating Class Members; and
6 perform any other usual and customary duties for administering a class action settlement.

7 46. I am not aware of an alternative method of providing notice to the Class which would
8 result in a higher likelihood of actual notice. The original source of the mailing addresses is from each
9 Class Member, who provided the information to Defendant. As a fail-safe to this highly reliable
10 method, skip tracing will be performed, if necessary.

11 ***Notice to the LWDA***

12 47. In accordance with Labor Code sections 2699 et. seq., and simultaneously with the
13 filing of Plaintiff's Motion, Plaintiff's counsel provided notice of the proposed settlement, including
14 the Settlement Agreement and this Motion, to the LWDA via online submission to the LWDA.

15 I declare under penalty of perjury under the laws of the State of California that the foregoing
16 is true and correct.

17 Executed on July 13, 2022, at Beverly Hills, California.

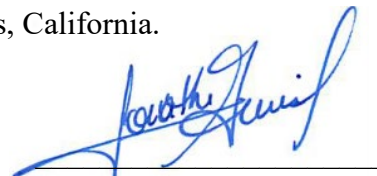
18 
19 _____
20 Jonathan M. Genish

EXHIBIT A

October 5, 2021

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

RE: *Daniel Analco v. Felix Chevrolet LP*

Dear PAGA Administrator:

This office represents Daniel Analco (“Claimant”), who was employed by Felix Chevrolet, LP (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as “Employer”) in the State of California from approximately May 2021 to approximately August 31, 2021, first as a Porter and then as a Lube Technician. Claimant worked at Felix Chevrolet, located at 3330 S. Figueroa Street, Los Angeles, California 90007.

This letter shall serve as Claimant’s notice pursuant to the Private Attorneys General Act of 2004 (“PAGA”) (California Labor Code § 2699.3), of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code, which are recoverable under PAGA, and all other remedies available under PAGA, including an amount sufficient to recover underpaid wages pursuant to Labor Code section 558. Claimant seeks these remedies on behalf of the State of California and all aggrieved employees. The aggrieved employees on whose behalf Claimant will file a PAGA cause of action includes all current and former hourly paid and/or non-exempt employees who worked for Employer in the State of California during the relevant statutory period.

As set forth below, Employer has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Order 4-2001.

Failure to Pay Minimum Wages and Failure to Pay Overtime Wages

Employer violated California Labor Code sections 1194, 1197, and 1197.1 by failing to pay Claimant and other aggrieved employees at least minimum wages for all hours worked. Claimant and other aggrieved employees were required to perform work duties off-the-clock prior to clocking-in and after clocking-out. Such off-the-clock work included, but was not limited to, answering work-related phone calls and servicing cars. By failing to pay Claimant and other aggrieved employees any wages for off-the-clock work, Employer violated Labor Code sections 1194, 1197, and 1197.1, which require employers to pay at least the legal minimum wage to their employees.

California Labor Code sections 510 and 1198 require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek. During the relevant time period, Claimant and other aggrieved employees worked in excess of 8 hours in a day and/or 40 hours in a week without overtime compensation because Employer failed to pay them for off-the-clock work as described above. On occasions when Claimant and other aggrieved employees had already worked eight hours in one day on-the-clock and also performed work off-the-clock, Employer failed to pay them overtime compensation for this off-the-clock work. In addition, Employer failed to correctly calculate the overtime rate of pay by failing to include non-discretionary commissions, non-discretionary bonuses, and/or non-discretionary performance pay in the regular rate of pay for purposes of overtime compensation.

Failure to Provide Meal Periods and Rest Periods

California law requires employers to provide their employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). Further, an uninterrupted rest period of no less than ten (10) minutes must be provided for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employer failed to provide Claimant and the other aggrieved employees with an opportunity to take timely, uninterrupted meal and rest periods of the requisite length. By way of example, Claimant was not provided with rest periods. Claimant took his meal periods late, after the end of his fifth hour of work, if at all. Claimant was required to clock out for his meal period but continue working. Claimant was not provided with a timely uninterrupted second meal period of at least

thirty (30) minutes in length when he worked a shift exceeding ten (10) hours.

Employer failed to compensate Claimant and the other aggrieved employees properly for non-compliant meal and rest periods including, *inter alia*, missed, short, late, and/or interrupted meal and rest periods. Employer failed to issue meal period and rest period premiums on each occasion that a meal period or rest period was not provided. On those occasions when Employer did pay meal and/or rest period premiums, it failed to do so at the correct rate. On occasions when meal period and/or rest period premiums were paid, Employer paid them at the base hourly rate of pay rather than at the regular rate of compensation. Employer failed to include all non-discretionary payments for work performed by Claimant and the other aggrieved employees in the regular rate of compensation when issuing meal and/or rest period premiums, including but not limited to, non-discretionary commissions, non-discretionary bonuses, and/or non-discretionary performance pay.

Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employer failed to pay Claimant and other aggrieved employees all wages due to them, including minimum wages, overtime wages, and meal and rest period premium wages, within any time period specified by California Labor Code section 204.

Failure to Timely Pay Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, when Claimant and the other aggrieved employees' employment ended, including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned, Employer failed to pay them all wages due to them upon termination of their employment, including minimum wages, overtime wages, meal period premiums, and rest period premiums.

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Failure to Keep Accurate Payroll Records

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Employer failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages paid, to Claimant and other aggrieved employees.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer. Employer failed to provide wage statements to Claimant and other aggrieved employees stating, *inter alia*, the total hours worked (including time spent working off-the-clock), the correct amount of meal period premium wages earned, and the correct amount of rest period premium wages earned.

Failure to Reimburse Necessary Business Expenses

Labor Code section 2802 requires employers to indemnify their employees for all necessary business expenses that they incur in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Claimant and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employer. These costs include, but are not limited to, the use of personal cell phones for work purposes.

Employer is in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2699, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employer for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Labor Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Labor Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Labor Code § 2699.3(a)(2)(A). It is the intention of this law firm to file a civil complaint and to bring the appropriate claims under Labor Code § 2699 should your office not address these matters within this time. Should you require anything further or have questions, please do not hesitate to contact me.

BLACKSTONE LAW

A handwritten signature in cursive script, appearing to read "Jill J. Parker".

Jill J. Parker, Esq.

Cc: By U.S. Certified Mail, Return Receipt Requested

Felix Chevrolet LP
3330 S Figueroa St.
Los Angeles, California 90007

Darryl Holter
Agent for Service of Process for Felix Chevrolet LP
714 West Olympic Blvd., Suite 1142
Los Angeles, California 90015

EXHIBIT B

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Attorneys for Defendant Felix Chevrolet, LP

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

DANIEL ANALCO, individually, and on behalf
of Aggrieved Employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

FELIX CHEVROLET, LP, a California limited
partnership; and DOES 1 through 25, inclusive,

Defendants.

Case No. 21STCV36654

Honorable Robert B. Broadbelt
Department 53

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

Complaint Filed: October 5, 2021
Trial Date: None Set

1 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement
2 Agreement”) is made and entered into between Plaintiff Daniel Analco (“Plaintiff”), on his own behalf,
3 on behalf of the State of California, and on behalf of Settlement Class Members as defined below, and
4 Defendant Felix Chevrolet, LP (“Defendant”).

5 **I. DEFINITIONS**

6 As used in this Settlement Agreement, the following terms have the meanings specified below:

7 1. “Action” means the action entitled *Daniel Analco, et al. v. Felix Chevrolet, LP*, Los
8 Angeles Superior Court Case No. 21STCV36654.

9 2. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and
10 resolution of this Action and their expenses and costs incurred in connection with the Action, which
11 shall be paid from the Gross Settlement Payment.

12 3. “Class Counsel” means Jonathan M. Genish, Jill J. Parker, and S. Emi Minne of
13 Blackstone Law, APC.

14 4. “Class List” means a complete list of all Settlement Class Members that Defendant will
15 diligently and in good faith compile from its records and provide to the Settlement Administrator no
16 later than twenty-one (21) calendar days after Preliminary Approval of this Settlement Agreement.
17 The Class List will be formatted in a Microsoft Excel spreadsheet containing the following information
18 for each Settlement Class Member: (1) full name; (2) last known home address; (3) last known
19 telephone number; (4) social security number; (5) dates of employment as a non-exempt employee of
20 Defendant in the State of California; and (6) respective number of Pay Periods and Workweeks that
21 each Class Member worked during the Class Period and PAGA Period. The Class List will be treated
22 as confidential, disclosed only to the Settlement Administrator, and used for Settlement purposes only.
23 However, notwithstanding this provision, and consistent with the provisions of Paragraph 59(c), the
24 Settlement Administrator shall provide Class Counsel with a redacted version of the Class List that
25 omits the names, addresses, telephone numbers, and social security numbers of the Settlement Class
26 Members so that Class Counsel may verify the number of Settlement Class Members, the calculations
27 of Pay Periods and Workweeks, and the calculations of Individual Settlement Shares.

28 5. “Class Notice” means the Notice of Class Action Settlement, substantially in the form

1 attached hereto as “Exhibit 1,” which will be mailed to Settlement Class Members and which describes
2 the material terms of the Settlement Agreement and the Settlement Class Members’ rights and
3 obligations, the formula for determining each Settlement Class Member’s Individual Settlement Share,
4 instructions on how to submit requests to opt-out or object to the Settlement Agreement, and the
5 deadlines for doing so.

6 6. “Class Period” means the period from March 3, 2018 and ending on May 2, 2022.

7 7. “Class Representative” or “Plaintiff” means Daniel Analco.

8 8. “Class Representative Enhancement Award” means payment to the Class
9 Representative for his services and efforts on behalf of the Settlement Class Members in this Action
10 and for his general release of claims, including a Civil Code § 1542 waiver.

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

12 10. “Effective Date” means the date that the Court enters an order granting Final Approval
13 of the Settlement Agreement if no timely objections to the Settlement Agreement are filed or if timely
14 objections to the Settlement Agreement are filed but no objector successfully moves to intervene for
15 purposes of appeal. If timely objections to the Settlement Agreement are filed and any objector or
16 objectors successfully intervene for the purposes of appeal, the “Effective Date” shall be the 61st day
17 following the date on which the Court enters an order of final approval of the Settlement Agreement;
18 except that if an appeal is filed from the Court’s overruling of objections to the Settlement Agreement
19 and/or from the final approval order (other than an appeal limited solely to a challenge to the denial or
20 reduction in the amount of requested attorneys’ fees and expenses and/or service payments to the Class
21 Representative), the “Effective Date” shall be 30 days after the appeal is withdrawn or after all
22 appellate review thereof is exhausted and an appellate decision exhausting such review and affirming
23 the final approval decision becomes final.

24 11. “Final Approval” means the date on which the Final Approval Order and Judgment is
25 entered.

26 12. “Final Approval Hearing” means the hearing following notice to the Settlement Class
27 Members at which the Court will consider whether the terms of this Agreement are fair, adequate, and
28 reasonable to the Settlement Class Members as a whole.

1 13. “Final Approval Order and Judgment” means the order granting final approval of the
2 Settlement and entering Judgment thereon, in a form and content mutually agreed to by the Parties,
3 and subject to approval by the Court.

4 14. “First Amended Complaint” means the First Amended Class Action Complaint for
5 Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code
6 §§ 2698 et seq. filed by Plaintiff on May 5, 2022 in this Action.

7 15. “Gross Settlement Payment” means the settlement amount of Three Hundred Thirty
8 Seven Thousand Five Hundred Dollars (\$337,500.00) to be paid by Defendant in full satisfaction of
9 all Settled Class Claims and Settled PAGA Claims, which includes Individual Settlement Payments
10 to Participating Class Members, Class Representative Enhancement Award, PAGA Penalty Amount,
11 LWDA Payment to the LWDA, Attorneys’ Fees and Costs to Class Counsel, and Settlement
12 Administration Costs. The Gross Settlement Payment does not include any employer-side taxes,
13 which will be calculated by the Settlement Administrator and separately paid for by Defendant. The
14 Gross Settlement Payment is non-reversionary; no portion of the Gross Settlement Payment will return
15 to Defendant.

16 16. “Individual Settlement Payment” means the net payment of each Participating Class
17 Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
18 withholdings with respect to the wages portion of the Individual Settlement Share, and any payment a
19 PAGA Member is eligible to receive from the employee portion of the PAGA Penalty Amount.

20 17. “Individual Settlement Share” means the pro rata share of the Net Settlement Fund that
21 a Settlement Class Member may be eligible to receive and any pro rata share of the PAGA Penalty
22 Amount that a PAGA Member is eligible to receive from the employee portion of the PAGA Penalty
23 Amount.

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

25 19. “LWDA Payment” means seventy-five percent (75%) of the PAGA Penalty Amount.

26 20. “Net Settlement Fund” means the sum remaining after the Court-approved deductions
27 from the Gross Settlement Payment for: (1) Class Representative Enhancement Award, (2) PAGA
28 Penalty Amount, (3) Attorneys’ Fees and Costs to Class Counsel, and (4) Settlement Administration

Costs.

21. “PAGA” means the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, et seq.

22. “PAGA Members” means all individuals who worked for Defendant as hourly-paid and/or non-exempt employees, but excluding those employed as commissioned vehicle salespeople, in the State of California at any time during the PAGA Period.

23. “PAGA Notice” means the October 5, 2021 PAGA Notice submitted on behalf of the Class Representative (LWDA-CM-847289-21).

24. “PAGA Penalty Amount” means the amount allocated to settle any and all claims for which penalties under PAGA may be sought or are otherwise available for any and all Settled PAGA Claims.

25. “PAGA Period” means the period from October 5, 2020 and ending on May 2, 2022.

26. “Participating Class Members” means Settlement Class Members who do not submit timely and valid requests for exclusion from the Settlement Agreement.

27. “Parties” means the parties to the Agreement, specifically, Plaintiff, individually and on behalf of all Settlement Class Members, and Defendant.

28. “Pay Period” shall refer to and mean pay periods within the meaning of Labor Code section 226.

29. “Preliminary Approval” means the date on which the Court enters the Preliminary Approval Order.

30. “Preliminary Approval Order” means the order entered and filed by the Court that preliminarily approves the terms and conditions of this Agreement.

31. “Released Parties” means Defendant Felix Chevrolet, LP, and its past, present and/or future, direct and/or indirect, principals, owners, executives, officers, directors, members, managers, employees, agents, representatives, attorneys, accountants, auditors, consultants, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

32. “Response Deadline” means the deadline by which Settlement Class Members must

1 submit to the Settlement Administrator valid requests to be excluded from the Settlement Agreement,
2 valid objections to the Settlement Agreement, and disputes regarding Workweeks. The Response
3 Deadline will be the date that is sixty (60) calendar days from the initial mailing of the Class Notice
4 by the Settlement Administrator, unless the sixtieth (60th) day falls on a Sunday or a Federal holiday,
5 in which case the Response Deadline will be extended to the next day on which the United States
6 Postal service is open. The Response Deadline will be extended fifteen (15) calendar days for any
7 Settlement Class Member who is re-mailed a Class Notice by the Settlement Administrator in
8 accordance with the notice procedure described in Section IV of this Agreement, unless that fifteenth
9 (15th) day falls on a Sunday or a Federal holiday, in which case the deadline will be extended to the
10 next day on which the United States Postal service is open.

11 33. “Settled Class Claims” means any and all claims, rights, causes of action, damages,
12 wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys’ fees, costs, and
13 any other form of relief or remedy in law, equity, or whatever kind of nature, that are alleged, or
14 reasonably could have been alleged based on the factual allegations and the claims asserted in the
15 operative complaint of this Action , including, all claims for unpaid overtime wages, unpaid minimum
16 wages, meal period violations, rest period violations, final wages not timely paid, wages not timely
17 paid during employment, failure to provide accurate wage statements, failure to maintain accurate
18 payroll records, failure to reimburse necessary business expenses, and unlawful business practices
19 under the California Labor Code and/or the California Business and Professions Code, including all
20 claims for restitution or equitable relief, damages, penalties, attorneys’ fees and costs, asserted or that
21 might have been asserted by any Settlement Class Member against the Released Parties based on the
22 facts or claims alleged in the Action during the Class Period.

23 34. “Settled PAGA Claims” means any and all claims, rights, causes of action, penalties,
24 liabilities, demands, obligations, attorneys’ fees, costs, and any other form of relief or remedy in law
25 or equity under the California Labor Code Private Attorneys General Act of 2004 that are alleged or
26 reasonably could have been alleged based on the factual allegations and the claims asserted in the
27 operative complaint of this Action and/or the PAGA Notice, including any and all claims, rights, or
28 causes of action for civil penalties, attorneys’ fees, and costs pursuant to PAGA, California Labor

Code section 2698 *et seq.*, predicated on violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and/or of the applicable Industrial Welfare Commission Wage Orders asserted in the Action, asserted or that might have been asserted by any Settlement Class Member against the Released Parties based on the facts or claims alleged in the Action during the PAGA Period.

35. “Settlement” means the agreement to settle the claims as set forth and embodied in this Agreement.

36. “Settlement Administration Costs” means the costs payable from the Gross Settlement Payment to the Settlement Administrator for administering this Settlement, including, but not limited to, translating the Class Notice from English to Spanish, printing, distributing, and tracking documents for this Settlement, confirming the Settlement Class Members’ Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Settlement Payment, calculating employer-side payroll taxes and forwarding all payroll taxes to the appropriate government authorities, tax reporting, distributing the Gross Settlement Payment, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties or the Court. Settlement Administration Costs shall not exceed Ten Thousand Dollars (\$10,000.00).

37. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

38. “Settlement Class” or “Settlement Class Members” means: (i) all PAGA Members; and (ii) all individuals who worked for Defendant as hourly-paid and/or non-exempt employees, but excluding those employed as commissioned vehicle salespeople, in the State of California at any time during the Class Period who have not previously released their employment-related claims against Defendant.

39. “Settlement Class Member” means an individual member of the Settlement Class.

40. “Workweeks” means the number of weeks each Settlement Class Member was employed by Defendant as an hourly paid or non-exempt employee in California and worked at least

one (1) day during the Class Period.

II. RECITALS

41. On October 5, 2021, Plaintiff submitted a written notice to the LWDA, with a copy sent to Defendant via U.S. Certified Mail, pursuant to California Labor Code section 2699.3, in which he provided notice of the specific provisions of the California Labor Code alleged to have been violated by Defendant, including the facts and theories to support the alleged violations. The notice alleged that Defendant violated California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Order No. 4-2001. Plaintiff's notice alleged, *inter alia*, that Defendant failed to pay minimum and overtime wages, failed to provide meal and rest periods, failed to timely pay wages during employment, failed to timely pay wages upon termination, failed to keep accurate payroll records, failed to furnish accurate itemized wage statements, and failed to reimburse necessary business expenses.

42. Plaintiff filed a representative PAGA action against Defendant on October 5, 2021 in the Superior Court for Los Angeles County. The Complaint for Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698, et seq., alleged one cause of action under PAGA for: Violation of California Labor Code sections 510 and 1198 (Unpaid Overtime Wages), Violation of California Labor Code sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages), Violation of California Labor Code sections 226.7 and 512(a) (Unpaid Meal Period Premiums); Violation of California Labor Code section 226.7 (Unpaid Rest Period Premiums); Violation of California Labor Code § 204 (Failure to Timely Pay Wages During Employment); Violation of California Labor Code sections 201, 202, 203 (Wages Not Timely Paid Upon Termination); Violation of California Labor Code section 226(a) (Failure to Issue Compliant Wage Statements); Violation of California Labor Code section 1174(d) (Failure to Keep Complete and Accurate Payroll Records); and Violation of California Labor Code sections 2800, et seq. (Failure to Reimburse Business Expenses).

43. On May 5, 2022, Plaintiff filed the First Amended Complaint, in which he amended his PAGA complaint to add class claims for (1) Violation of California Labor Code sections 510 and 1198 for failure to pay overtime wages; (2) Violation of California Labor Code sections 1194, 1197,

1 and 1197.1 for failure to pay minimum wages; (3) Violation of California Labor Code sections 226.7
2 and 512(a) for failure to provide legally required meal periods; (4) Violation of California Labor Code
3 sections 226.7 and 512(a) for failure to provide legally required rest periods; (5) Violation of California
4 Labor Code sections 201, 202, and 203 for failure to pay all wages upon termination of employment;
5 (6) Violation of California Labor Code section 226(a) for failure to provide accurate wage statements;
6 (7) Violation of California Labor Code sections 2800 and 2802 for failure to reimburse necessary
7 business-related expenses; and (8) violation of California Business and Professions Code sections
8 17200, et seq. for unfair competition

9 44. Class Counsel diligently investigated the claims of the Settlement Class, including any
10 and all applicable defenses and the applicable law. This investigation included among other things:
11 (1) inspection and analysis of employee documents and data, including time and payroll records,
12 employment policies and procedures, and other relevant documents; (2) evaluation of legal positions
13 taken by Defendant; (3) evaluation of potential class-wide damages and PAGA penalties; and (4)
14 review and research of applicable law with respect to claims and potential defenses brought by
15 Defendant. Class Counsel has prosecuted this Class Action, and Defendant has vigorously denied
16 Plaintiff's allegations. The Parties have engaged in sufficient discovery and investigation to assess
17 the relative merits of the claims and contentions of the Parties.

18 45. On March 3, 2022, the Parties mediated with Steve Pearl, Esq., and reached the
19 Settlement that is memorialized herein. The Parties' settlement discussions were conducted at arms'
20 length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential
21 liability and exposure in relation to the costs and risks associated with continued litigation. Based on
22 Class Counsel's investigation, Class Counsel believes that the Settlement for the consideration and on
23 the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best
24 interest of the Settlement Class in light of all known facts and circumstances, including the risk of
25 significant delay and uncertainty associated with litigation and various defenses asserted by
26 Defendant.

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1 **III. SETTLEMENT FUNDS AND SETTLEMENT PAYMENT ALLOCATION**

2 46. Funding of the Gross Settlement Payment. Within thirty (30) calendar days after the
3 Effective Date of the Settlement, Defendant will deposit the Gross Settlement Payment, and all
4 applicable employer-side payroll taxes, into a Qualified Settlement Fund (“QSF”) within the meaning
5 of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator.
6 Defendant will cooperate in providing all information necessary for the Settlement Administrator to
7 calculate necessary payroll taxes. The Settlement Administrator will be responsible for forwarding
8 all payroll taxes and penalties to the appropriate government authorities.

9 47. Distribution from the QSF to the Class. Payments from the QSF for Individual
10 Settlement Payments, Class Representative Enhancement Award, Attorneys’ Fees and Costs to Class
11 Counsel, LWDA Payment to the LWDA, and Settlement Administration Costs to the Settlement
12 Administrator shall be made by the Settlement Administrator within fourteen (14) calendar days after
13 the funding of the Settlement.

14 48. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application
15 or motion by Class Counsel for attorneys’ fees of up to one-third of the Gross Settlement Payment and
16 actual costs and expenses not to exceed Thirty Thousand Dollars (\$30,000.00), both of which will be
17 paid from the Gross Settlement Payment. Any portion of the requested Attorneys’ Fees and Costs that
18 is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Fund and
19 distributed to Participating Class Members as provided in this Agreement. The Parties agree that
20 regardless of any action taken by the Court or any appellate court with respect to Attorneys’ Fees and
21 Costs, the validity of the underlying Settlement shall not be affected.

22 49. Enhancement Award to the Class Representative. Defendant agrees not to oppose or
23 object to any application or motion by Plaintiff for a Class Representative Enhancement Award of
24 Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff Daniel Analco. As a condition of
25 receiving a Class Representative Enhancement Award, Plaintiff agrees to release, in addition to the
26 Settled Class Claims and Settled PAGA Claims, all claims, whether known or unknown, under federal
27 or state law against the Released Parties for the time period of October 5, 2017 through the date
28 Plaintiff signs this Settlement Agreement and expressly waives all rights and benefits afforded by
Section 1542 of the California Civil Code as set forth below in Paragraph 69. The Class Representative

Enhancement Award will be paid from the Gross Settlement Payment and will be in addition to the Class Representative's Individual Settlement Payment paid pursuant to the Settlement. Any adjustments made by the Court to the requested Class Representative Enhancement Award shall not be deemed a material modification of this Agreement. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Award, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, it shall remain binding, and any portion of the requested Class Representative Enhancement Award that is not awarded by the Court to the Class Representative shall be reallocated to the Net Settlement Fund and distributed to Participating Class Members as provided in this Agreement.

50. PAGA Penalty Amount. Subject to approval by the Court, the Parties agree that the amount of Twenty Five Thousand Dollars (\$25,000.00) shall be allocated from the Gross Settlement Payment for settlement and release of any and all claims for civil penalties under PAGA which may be sought or are otherwise available for any and all Settled PAGA Claims (i.e., PAGA Penalty Amount), which the Parties believe in good faith is a fair and reasonable apportionment. Pursuant to California Labor Code § 2699(i), the Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Penalty Amount, or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750.00), to the LWDA. The remaining twenty-five percent (25%) of the PAGA Payment, or Six Thousand Two Hundred Fifty Dollars (\$6,250.00), will be distributed to PAGA Members on a *pro rata* basis based on the total number of Workweeks worked by each PAGA Member during the PAGA Period.

51. Settlement Administration Costs. All costs and fees of the Settlement Administrator shall be paid from the Gross Settlement Payment. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

52. Individual Settlement Share Calculations. All Settlement Class Members who do not opt out of the Settlement will receive an Individual Settlement Share and are not required to submit a claim form. Individual Settlement Shares will be calculated and apportioned as follows:

A. Calculation of Class Portion of Individual Settlement Payments.

i. After Preliminary Approval, the Settlement Administrator will determine the

Workweeks of each Settlement Class Member, divide the Net Settlement Fund by the Workweeks of all Settlement Class Members to yield the “Estimated Workweek Value,” and multiply each Settlement Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement.

ii. After Final Approval, the Settlement Administrator will divide the final Net Settlement Fund by the Workweeks of all Participating Class Members to yield the “Final Workweek Value,” and multiply each Participating Class Member’s individual Workweeks by the Final Workweek Value to yield his or her final Individual Settlement Share.

B. Calculation of PAGA Portion of Individual Settlement Payments. The Settlement Administrator will calculate the total Pay Periods for all PAGA Members by adding the number of Pay Periods worked by each PAGA Member during the PAGA Period. The amount that each PAGA Member will receive will be calculated by dividing each participating PAGA Member’s individual Pay Periods by the total Pay Periods of all PAGA Members, and multiplying the resulting fraction by the 25% share of the PAGA Penalty Amount designated for distribution to PAGA Members. PAGA Members shall receive this portion of their Individual Settlement Payment regardless of whether they opt out of participating in the Settlement Agreement regarding the class claims.

53. Tax Treatment of Settlement Payments. Each payment of settlement funds to a Participating Class Member from the QSF, other than the Class Representative Enhancement Award and the PAGA Members’ individual share of the PAGA Penalty Amount, shall be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties and interest. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties and interest, including portions allocated to PAGA penalties, will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Participating Class Members and PAGA Members for their Individual Settlement

1 Payment (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The
2 Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members,
3 PAGA Members, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as
4 may be required by law for all amounts paid pursuant to this Agreement. The Settlement Administrator
5 will also be responsible for forwarding all payroll taxes and other legally required withholdings to the
6 appropriate government authorities. Neither Defendant nor its counsel, nor Class Counsel make any
7 representation and have made no representations as to the tax treatment or legal effect of the payments
8 to be made pursuant to this Settlement Agreement, and Plaintiff, Participating Class Members, and
9 PAGA Members are not relying on any statement, representation, or calculation by Defendant, the
10 Settlement Administrator, or Class Counsel in this regard. Plaintiff, Participating Class Members, and
11 PAGA Members understand and agree that Plaintiff, Participating Class Members, and PAGA
12 Members will be solely responsible for the payment of any taxes and penalties assessed on the
13 payments described in this Settlement Agreement. Plaintiff, Participating Class Members, and PAGA
14 Members who receive any payment under this Agreement should consult with their tax advisors
15 concerning the tax consequences of the Individual Settlement Payments they receive under the
16 Settlement.

17 54. Individual Settlement Payment checks shall be mailed by First Class U.S. Mail to the
18 last known address of all Participating Class Members and PAGA Members, as reflected in the
19 Settlement Administrator's records, and subject to the provisions of Paragraph 43. If any Individual
20 Settlement Payment check is returned as undeliverable within one hundred (100) calendar days after
21 checks are initially mailed, the Settlement Administrator shall engage in reasonable skip-tracing
22 efforts.

23 55. Check-Cashing Deadline and Uncashed Individual Settlement Payment Checks. Any
24 checks issued by the Settlement Administrator to Participating Class Members and PAGA Members
25 will be valid and negotiable for one hundred eighty (180) calendar days. If a Participating Class
26 Member and/or PAGA Member does not cash his or her settlement check within 180 days, the
27 uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of
28 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et. Seq.*

1 for the benefit of those Participating Class Members and/or PAGA Members who did not cash their
2 checks until such time that they claim their property. The Parties agree that this disposition results in
3 no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Fund
4 will be paid out to Participating Class Members, whether or not they all cash their settlement checks.
5 Therefore, Defendant will not be required to pay any interest on such amounts. The Individual
6 Settlement Payments provided to Participating Class Members and to PAGA Members shall
7 prominently state the expiration date or a statement that the settlement check will expire in one hundred
8 eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the
9 Individual Settlement Payment. Expired Individual Settlement Payments will not be reissued, except
10 for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds
11 will result from the settlement process detailed in this Agreement.

12 56. Disputes Regarding Dates of Employment, Workweeks, and/or Estimated Individual
13 Settlement Share. The Class Notice shall be individualized and shall include a statement of the dates
14 worked by the Settlement Class Member receiving the notice, number of Workweeks and/or Pay
15 Periods, and estimated Individual Settlement Share, based on available records provided by Defendant.
16 Settlement Class Members will have an opportunity to dispute the information provided in the Class
17 Notice. To the extent a Settlement Class Member disputes the information as set forth in his or her
18 Class Notice, that Settlement Class Member shall submit a written, signed challenge (“Dispute”) along
19 with any supporting documents to the Settlement Administrator at the address or fax number provided
20 on the Class Notice, postmarked or fax-stamped no later than the Response Deadline. The Dispute
21 must contain: (a) the case name and number of the Action, (b) the Settlement Class Member’s
22 signature, (c) the full name, address, telephone number, and the last four digits of the Social Security
23 Number and/or Employee ID number of the disputing Settlement Class Member, (d) a statement that
24 the Settlement Class Member disputes the number of Workweeks and/or Pay Periods credited to him
25 or her and what he or she contends is the correct number to be credited to him or her, and (e)
26 information and/or documentation demonstrating that the number of Workweeks and/or Pay Periods
27 that he or she contends should be credited to him or her are correct. Absent evidence rebutting
28 Defendant’s records, Defendant’s records will be presumed determinative. However, if a Settlement

1 Class Member produces evidence to the contrary, the Settlement Administrator will, within five (5)
2 calendar days from the date the Settlement Administrator receives notice of any such challenge, send
3 to Class Counsel and Defendant's counsel a copy of the documentation submitted in connection with
4 that Dispute. Within five (5) calendar days from the date counsel receive that documentation, Class
5 Counsel and Defendant's counsel shall meet and confer and make one or more recommendations to
6 the Settlement Administrator, and the Settlement Administrator shall thereafter make a final and
7 binding determination without hearing or right to appeal and shall communicate that determination to
8 the Settlement Class Member, Class Counsel, and Defendant's counsel. In no case will a Dispute result
9 in a payment by Defendant in excess of the Gross Settlement Payment. If a Settlement Class Member
10 does not challenge the information set forth in the Class Notice, the Settlement Class Member need
11 not do anything further and payment shall be made to that Settlement Class Member based on the
12 records provided by Defendant and the terms of this Agreement.

13 **IV. PRELIMINARY APPROVAL AND SETTLEMENT ADMINISTRATION**

14 57. Preliminary Approval of Settlement and Request for Preliminary Approval Order.
15 Plaintiff will obtain a hearing date from the Court to request Preliminary Approval of the Settlement
16 Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the
17 Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement
18 Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary
19 Approval Order will provide for the Class Notice to be sent to all Settlement Class Members as
20 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this
21 Agreement, which sets forth the terms of the Settlement, and will include the proposed Class Notice
22 attached as Exhibit 1. Plaintiff shall provide a draft of his Motion for Preliminary Approval to
23 Defendant's counsel at least three (3) court days before filing it. Defendant will not oppose Plaintiff's
24 motion for preliminary approval.

25 58. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
26 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary
27 approval of the Settlement.

28 59. Responsibilities of Settlement Administrator. The Parties agree to cooperate in the

1 administration of the Settlement and to make all reasonable efforts to control and minimize the costs
2 and expenses incurred in administration of the Settlement. The Parties agree that the following
3 procedures for providing the Class Notice provide the best practicable notice to Settlement Class
4 Members and are consistent with the requirements of due process and California Rule of Court 3.766.

5 The Settlement Administrator will provide the following services:

- 6 a. The Settlement Administrator shall be responsible for translating the Class Notice from
7 English to Spanish, and for formatting, printing, and mailing to all Settlement Class
8 Members an individualized version of the Class Notice, in substantially the form
9 approved by the Court, and such other materials as may be required to be distributed,
10 all as approved and directed by the Court.
- 11 b. Within twenty-one (21) calendar days of an Order from the Court granting Preliminary
12 Approval of the Settlement Agreement, Defendant will provide the Class List to the
13 Settlement Administrator. This is a material term of the Agreement, and if Defendant
14 fails to comply, Plaintiff shall have the right to void the Agreement.
- 15 c. Based on the information in the Class List and the terms of this Settlement, the
16 Settlement Administrator shall promptly confirm the number of Workweeks and/or Pay
17 Periods and estimated Individual Settlement Share for every Settlement Class Member,
18 to be included in the Class Notice to be sent to that Settlement Class Member, and shall
19 prepare and email a spreadsheet setting forth those calculations to Defendant's counsel
20 no fewer than two (2) business days before mailing the Class Notice to Settlement Class
21 Members. The Settlement Administrator shall also provide Class Counsel with a
22 redacted version of the same spreadsheet that omits the names, addresses, telephone
23 numbers, and social security numbers of the Settlement Class Members two (2)
24 business days before mailing the Class Notice to Settlement Class Members.
- 25 d. Within fourteen (14) calendar days after receiving the Class List from Defendant, the
26 Settlement Administrator will mail the Class Notice to all Settlement Class Members
27 via regular First Class U.S. Mail, using the most current, known mailing addresses
28 identified in the Class List. The Parties may not vary from the form of the Class Notice

1 approved by the Court. If the Settlement Administrator asks for the Parties' approval
2 prior to mailing the court approved Class Notice, the Parties shall provide their
3 approval within three (3) business days. If either Party has an objection to the court
4 approved form of the Class Notice, it must seek *ex parte* relief from the Court about its
5 objection.

- 6 e. All Settlement Class Members will be mailed a Class Notice. Each Class Notice will
7 provide: (a) information regarding the nature of the Action; (b) a summary of the
8 Settlement's principal terms; (c) the Class definition; (d) the total number of
9 Workweeks and/or Pay Periods each respective Settlement Class Member worked for
10 Defendant during the Class Period and/or PAGA Period; (e) each Settlement Class
11 Member's estimated Individual Settlement Payment and the formula for calculating
12 Individual Settlement Payments; (f) the dates which comprise the Class Period and
13 PAGA Period; (g) the deadlines by which the Settlement Class Member must postmark
14 Requests for Exclusion, Objections to the Settlement, or workweek disputes; (h) the
15 claims to be released, as set forth herein; and (i) the date for the final approval hearing.
- 16 f. Prior to mailing, the Settlement Administrator will perform a search based on the
17 National Change of Address Database for information to update and correct for any
18 known or identifiable address changes. Any Class Notice returned to the Settlement
19 Administrator as non-deliverable on or before the Response Deadline will be sent
20 promptly via regular First Class U.S. Mail to the forwarding address affixed thereto
21 and the Settlement Administrator will indicate the date of such re-mailing on the Class
22 Notice. If no forwarding address is provided, the Settlement Administrator will
23 promptly attempt to determine the correct address using a skip-trace, or other search
24 using the name, address and/or Social Security number of the Settlement Class Member
25 involved, and will then perform a single re-mailing. Those Settlement Class Members
26 who receive a re-mailed Class Notice, whether by skip-trace or by request, will have
27 between the later of (a) an additional fifteen (15) calendar days or (b) the Response
28 Deadline to postmark a Request for Exclusion, or an Objection to the Settlement.
- g. For any Class Notice that is returned by the post office as undeliverable without a

forwarding address or addressee unknown, the Settlement Administrator shall perform a skip-trace search that shall use such public and proprietary electronic resources as are available to the Settlement Administrator that lawfully collect address data from various sources such as utility records, property tax records, motor vehicle registration records, and credit bureaus. If the Settlement Administrator is successful in locating an alternate subsequent address or addresses, the Settlement Administrator shall perform a single re-mailing of the Class Notice to the updated address(es) within five (5) calendar days of receipt of the undeliverable Class Notice. Settlement Class Members who receive a re-mailed Class Notice will have an extended fifteen (15) calendar days from the original Response Deadline to opt out of the Settlement, object to the Settlement, or submit a Dispute.

60. Objections to Settlement. To object to the Settlement, a Participating Class Member must postmark a valid Objection to the Settlement Administrator on or before the Response Deadline. The Objection must be signed by the Participating Class Member and contain all information required by this Settlement Agreement including the Participating Class Member's full name, address, telephone number, the last four digits of their social security number and/or Employee ID number, and the specific reason including any legal grounds for the Participating Class Member's objection. The postmark date will be deemed the exclusive means for determining that the Objection is timely. Any dispute regarding the validity of an Objection falls solely within the discretion of the Settlement Administrator unless both Parties stipulate otherwise. Participating Class Members who fail to object in the manner specified above will be foreclosed from making a written objection, but shall still have a right to appear at the Final Approval Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to submit written objections to the Settlement or appeal from the Order and Judgment. Class Counsel will not represent any Participating Class Members with respect to any objections to this Settlement.

61. Opting-Out of the Settlement. Any Settlement Class Member wishing to opt-out from the Settled Class Claims must sign and postmark a written Request for Exclusion to the Settlement Administrator by the Response Deadline. The Request for Exclusion must include (a) the Settlement

1 Class Member's name, address, telephone number, and the last four digits of the Settlement Class
2 Member's Social Security number and/or the Employee ID number and (b) a clear statement
3 requesting to be excluded from the Settlement. The date of the postmark on the return mailing
4 envelope receipt confirmation will be the exclusive means to determine whether a Request for
5 Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement
6 Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for
7 Exclusion that were timely submitted. All Settlement Class Members who do not request exclusion
8 from the Settlement Class Claims will be bound by all terms of the Settlement Agreement if the
9 Settlement is granted final approval by the Court. No PAGA Member has the right to exclude himself
10 or herself from the release of the Settled PAGA Claims.

11 62. Defendant's Right to Rescind. If more than ten percent (10%) of the Settlement Class
12 Members (rounded to the next whole number) elect not to participate in the Settlement, Defendant
13 may, at its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be
14 thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising this
15 right. If Defendant exercises its right to rescind the Agreement, Defendant shall be responsible for all
16 Settlement Administration Costs incurred to the date of rescission.

17 63. Interim Reports by the Settlement Administrator. The Settlement Administrator shall
18 provide weekly reports to counsel for the Parties providing (1) the status of the mailing of the Class
19 Notice to Settlement Class Members, including but not limited to the names of Settlement Class
20 Members for whom the Class Notice was returned as undeliverable; (2) the names of Settlement Class
21 Members who submit requests for exclusion or objections to the Settlement; and (3) the names of
22 Settlement Class Members who submitted Disputes, including the resolution of any such Disputes.
23 No later than five (5) business days prior to the deadline for filing a motion for final approval of the
24 Settlement, the Settlement Administrator shall provide counsel for the Parties with a declaration
25 regarding the settlement notice administration process, including the total number and names of
26 Settlement Class Members who timely opted out of the Settlement, the total number and names of
27 Participating Class Members who submitted objections to the Settlement, and any other information
28 that may be required by the Court.

V. FINAL APPROVAL

64. Final Approval Hearing. Upon completion of the Class Notice process, including the

1 expiration of the deadlines to postmark Requests for Exclusion or Objections to the Settlement
2 Agreement, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final
3 Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual
4 Settlement Payments; (b) the PAGA Penalty Amount; (c) Class Counsel's Attorneys' Fees and Costs;
5 (d) the Class Representative Enhancement Award; and (e) the Settlement Administration Costs. Any
6 failure by the Court to fully and completely approve the Settlement Agreement as to all of the Action,
7 or the entry of any Order by another Court with regard to any of the Action which has the effect of
8 modifying material terms of this Agreement or preventing the full and complete approval of the
9 Settlement Agreement as written and agreed to by the Parties, will result in this Agreement and all
10 obligations under this Agreement being null and void. Plaintiff shall provide a draft of his Motion for Final
11 Approval to Defendant's counsel at least three (3) court days before filing it. Defendant agrees it shall not
12 oppose the granting of the Motion for Final Approval, provided Defendant has not exercised its right
13 to rescind pursuant to the terms of this Agreement.

14 65. Final Approval Order and Judgment. The proposed Final Approval Order and
15 Judgment to be submitted to the Court shall be in a form mutually agreed upon by the Parties. The
16 Parties shall not object to any final Judgment that is substantially in the form submitted to the Court
17 by the Parties. If the Court grants final approval of the Settlement, the Settlement Administrator shall
18 post the Final Approval Order and Judgment on its website within seven (7) calendar days of entry of
19 the Final Approval Order and Judgment.

20 66. Continued Jurisdiction. After entry of the Judgment, the Court will have continuing
21 jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of
22 the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be
23 appropriate under court rules or as set forth in this Settlement. The Court shall award attorneys' fees
24 and costs to the prevailing party in any motion or action taken and based on an alleged violation of
25 any material term of the Settlement and/or in any action taken to enforce the terms of this Settlement.

26 VI. RELEASED CLAIMS

27 67. Release of Claims by All Participating Class Members. Upon the funding of the Gross
28 Settlement Payment and all applicable employer-side payroll taxes by Defendant, each and every

1 Participating Class Member, on behalf of themselves, their heirs, spouses, executors, administrators,
2 attorneys, agents, and assigns, shall be deemed to have fully, finally and forever released, settled,
3 compromised, relinquished and discharged any and all of the Released Parties of and from any and all
4 Settled Class Claims, and shall be permanently barred and enjoined from the institution or prosecution
5 of any and all Settled Class Claims against the Released Parties, except as to such rights or claims as
6 may be created by the Settlement, subject to the continuing jurisdiction of the Court.

7 68. Release of Claims by All PAGA Members. Upon the funding of the Gross Settlement
8 Payment and all applicable employer-side payroll taxes by Defendant, each and every PAGA Member,
9 on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns,
10 shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and
11 discharged any and all of the Released Parties of and from any and all Settled PAGA Claims, and shall
12 be permanently barred and enjoined from the institution or prosecution of any and all Settled PAGA
13 Claims against the Released Parties, except as to such rights or claims as may be created by the
14 Settlement, subject to the continuing jurisdiction of the Court.

15 69. Additional Mutual General Release of All Claims by Plaintiff. Except as otherwise
16 provided herein, in consideration for the promises set forth herein, in addition to the Settled Class
17 Claims and Settled PAGA Claims, Plaintiff, for himself and his respective heirs, spouses, executors,
18 administrators, attorneys, agents, and assigns, does hereby waive, release, acquit, and forever
19 discharge each of the Released Parties from any and all claims, demands, rights, liabilities and causes
20 of action of every nature and description whatsoever, known or unknown, asserted or that might have
21 been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation
22 arising out of, relating to, or in connection with any act or omission by or on the part of any of the
23 Released Parties, including but not limited to any claims arising out of or related to Plaintiff's
24 employment, wages, hours, or working conditions with Defendant or the separation of his employment
25 with Defendant, committed or omitted prior to the date of Final Approval Order and Judgment except
26 as limited herein and by law. This additional release includes all known and unknown claims. Without
27 limiting the foregoing, it is understood and agreed by Plaintiff that, as a condition of this Agreement,
28 and with respect to the general releases pursuant to this Paragraph, he hereby expressly waives and

1 relinquishes any and all claims, rights, or benefits that he may have under California Civil Code §
2 1542, which provides:

3 **A general release does not extend to claims that the creditor or releasing party**
4 **does not know or suspect to exist in his or her favor at the time of executing the**
5 **release and that, if known by him or her, would have materially affected his or**
6 **her settlement with the debtor or released party.**

7 This release does not apply to (i) those rights that as a matter of law cannot be waived,
8 including but not limited to, workers' compensation claims and claims for unemployment benefits;
9 and (ii) rights or claims arising out of this Settlement.

10 **VII. MISCELLANEOUS**

11 70. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
12 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
13 Any Exhibits to this Agreement are an integral part of the Settlement.

14 71. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
15 entirety of the Parties' Settlement. No other prior or contemporaneous written or oral agreements may
16 be deemed binding on the Parties.

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

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

27 74. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
28 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

1 75. California Law Governs. All terms of this Settlement Agreement hereto will be
2 governed by and interpreted according to the laws of the State of California.

3 76. Execution and Counterparts. This Settlement Agreement is subject only to the
4 execution of all Parties. However, the Settlement Agreement may be executed in one or more
5 counterparts. All executed counterparts and each of them, including facsimile and scanned copies of
6 the signature page, will be deemed to be one and the same instrument provided that counsel for the
7 Parties will exchange among themselves original signed counterparts.

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

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

16 79. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
17 certification for purposes of this Settlement only; except, however, that either party may appeal any
18 court order that materially alters the Settlement Agreement's terms.

19 80. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate
20 to class action certification of the Settlement Class only for purposes of the Settlement. If, for any
21 reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further
22 agree that certification for purposes of the Settlement is not an admission that class action certification
23 is proper under the standards applied to contested certification motions and that this Agreement will
24 not be admissible in this or any other proceeding as evidence that either: (a) a class action should be
25 certified or (b) Defendant is liable to Plaintiff or any Settlement Class Member, other than according
26 to the Settlement's terms.

27 81. Neutral Employment Reference. Defendant agrees that it will adopt a neutral reporting
28 policy regarding any future employment references related to Plaintiff. In the event that any potential
or future employers of Plaintiff request a reference regarding Defendant's employment of Plaintiff,

1 Plaintiff shall direct such inquiries to Defendant's Human Resources department. Defendant shall
2 only provide Plaintiff's dates of employment and job titles during employment. Defendant shall not
3 refer to the Action or this Settlement.

4 82. Publicity. Prior to the filing of the motion for preliminary approval of the Settlement,
5 Plaintiff and Class Counsel shall keep confidential all settlement communications regarding the
6 negotiation and drafting of the Agreement. After the filing of the motion for preliminary approval,
7 Plaintiff and Class Counsel agree that none of them will issue any press release, social media post,
8 internet or website announcement, or otherwise initiate any contact with the press, respond to any
9 press inquiry or have any communication with the press regarding the Action and/or the fact, amount,
10 or terms of the Settlement. In addition, the Parties and their counsel agree that they will not engage
11 in any advertising or distribute any marketing materials relating to the settlement of this Action that
12 in any way directly or indirectly identifies Defendant, including but not limited to any postings on any
13 websites maintained by Class Counsel. Nothing in this paragraph shall restrict Plaintiff or Class
14 Counsel from making any disclosures necessary to seek approval by the Court of this Settlement or to
15 communicate with Settlement Class Members. Nothing in this Settlement Agreement shall restrict
16 Class Counsel from disclosing and including all publicly available information regarding this case and
17 the Settlement in any documents filed with the court and/or judicial submissions (e.g., declarations
regarding adequacy or experience, etc.).

18 83. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
19 dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation.
20 In entering into this Agreement, Defendant does not admit, and specifically denies, it has violated any
21 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
22 or any other applicable laws, regulations or legal requirements; breached any contract; violated or
23 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
24 conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor
25 any of the negotiations connected with it, shall be construed as an admission or concession by
26 Defendant of any such violations or failures to comply with any applicable law. Except as necessary
27 in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions
28 shall not be offered or received as evidence in any action or proceeding to establish any liability or
admission on the part of Defendant or to establish the existence of any condition constituting a

violation of, or a non-compliance with, federal, state, local or other applicable law.

84. Captions. The captions and section numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Agreement.

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

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

87. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

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

89. Voluntary Agreement. The Parties acknowledge that they have entered into this Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress, or undue influence of any Party, and not in reliance on any promises, representations, or statements made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties hereto expressly waives any right she/it might ever have to claim that this Settlement Agreement was in any way induced by fraud.

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

1 IT IS SO STIPULATED.

2
3 Dated: 5/27/2022 | 2:31:07 PM PDT

By:

Plaintiff Daniel Analco

4
5
6 Dated: 5/28/2022

By:

Defendant Felix Chevrolet, LP

Name: D. HARTER

Title: DEALER - OPERATOR

7
8
9
10 APPROVED AS TO FORM ONLY:

11
12 Dated: May 27, 2022

By:

Jill J. Parker, Esq.

BLACKSTONE LAW, APC

Attorneys for Plaintiff Daniel Analco and Proposed Class
Counsel

13
14
15
16
17 Dated: 5/31/22

By:

Nima Darouian, Esq.

LEWIS BRISBOIS BISGAARD & SMITH LLP

Attorneys for Defendant Felix Chevrolet, LP

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Daniel Analco v. Felix Chevrolet, LP

Superior Court of the State of California for the County of Los Angeles, Case No. 21STCV36654

To: All individuals who worked for Felix Chevrolet, LP as hourly-paid and/or non-exempt employees in the State of California from March 3, 2018 to May 2, 2022, but excluding those employed as commissioned vehicle sales people, who have not previously released their employment-related claims against Felix Chevrolet LP. (the “Settlement Class” or “Settlement Class Members”).

You are not being sued. This is a Court-approved notice that affects your rights. Please read it carefully.

The purpose of this Notice is to let you know of a proposed settlement (the “Settlement”) that has been reached in a class and representative action that is pending in the Superior Court for the County of Los Angeles. The lawsuit was filed by a former employee, Daniel Analco (“Plaintiff”) against Felix Chevrolet, LP (“Defendant” or “Felix Chevrolet”) (collectively, Plaintiff and Defendant are referred to as the “Parties”), entitled *Daniel Analco v. Felix Chevrolet, LP*, Los Angeles Superior Court Case No. 21STCV36654 (the “Lawsuit”).

The Court granted preliminary approval of the Parties’ settlement on [Date] and has scheduled a hearing on [Date] at [Time] (the “Final Approval Hearing”) to determine whether or not to grant final approval of the Settlement. **Your legal rights may be affected, and you have a choice to make now.**

1. WHAT ARE MY OPTIONS?

DO NOTHING	Receive an Individual Settlement Payment. By doing nothing, you will receive an Individual Settlement Payment. However, you will release the right to assert all of the Released Claims (see Section 7 below) against Felix Chevrolet and the other Released Parties.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Exclude Yourself from the Settlement and Receive No Payment. You may opt-out of the Settlement by submitting a signed Request for Exclusion (see Section 8(B) below) that must be postmarked no later than [Response Deadline]. If you submit a valid and timely Request for Exclusion, you will not receive any payment from the Settlement and you will not be bound by the Settlement and the release of claims provided under the Settlement.
OBJECT TO THE SETTLEMENT	Object to the Settlement. If you choose to participate in the Settlement, you may submit an objection to the Settlement. To object, you can submit a written Notice of Objection (see Section 8(C) below) to the Settlement Administrator no later than [Response Deadline], or you can appear at the Final Approval Hearing and state any objections to the Settlement. If the Court overrules your objection, you will receive an Individual Settlement Payment, and you will release the right to assert all of the Released Claims (see Section 7 below) against Felix Chevrolet and the other Released Parties.

2. WHY DID I GET THIS NOTICE?

Felix Chevrolet's records show that you were employed by them in California at some point during the period from March 3, 2018 to May 2, 2022 (the "Class Period"). The Court has authorized this notice because you have the right to know about the Settlement and your options before the Court decides whether to approve it. This notice explains what the Lawsuit is about, the terms of the Settlement, and your rights.

3. WHAT IS THIS LAWSUIT ABOUT?

On May 5, 2022, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698, et seq. (the "Complaint") in the Superior Court for the County of Los Angeles. Plaintiff's Complaint alleged that Defendant failed to pay all wages due, including 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; failed to reimburse all necessary business expenses, and owed penalties pursuant to the California Labor Code Private Attorneys' General Act of 2004, codified at California Labor Code §§ 2698, et seq. ("PAGA"). In his Complaint, Plaintiff sought to represent a class of all current and former hourly paid and/or non-exempt employees in the State of California who worked for Felix Chevrolet in the State of California at any time during the period from March 3, 2018 to May 2, 2022, and who have not previously released their employment-related claims against Felix Chevrolet, but excluding those employed as commissioned vehicle salespeople.

Felix Chevrolet denies all of the material allegations in the Complaint and asserted numerous affirmative defenses.

After exchanging informal discovery, the Parties participated in a mediation with mediator Steven G. Pearl and reached this Settlement.

4. WHY IS THERE A SETTLEMENT?

The Court has not made any decision about the merits of Plaintiff's Lawsuit. There has been no trial. However, to avoid additional expense and the risks of continued litigation, Plaintiff and Felix Chevrolet have concluded that it is in their respective best interests and the interest of the Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice.

The Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Lawsuit. Plaintiff, Class Counsel, and Felix Chevrolet all support this Settlement due to, among other things, Felix Chevrolet's potential defenses to liability, the inherent risk associated with a trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Settlement Class Members under the Settlement.

5. SUMMARY OF THE SETTLEMENT

Felix Chevrolet has agreed to pay a settlement amount of Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500.00) (the "Gross Settlement Payment"). The portion of the Gross Settlement Payment that is available for payment to the Settlement Class Members is referred to as the "Net Settlement Fund." The Net Settlement Fund will be the Gross Settlement Payment less the following payments which are subject to

approval by the Court: (1) Class Representative Enhancement Award in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00), (2) PAGA Penalty Amount in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00), (3) Attorneys' Fees in an amount not to exceed thirty-three percent (33%) of the Gross Settlement Payment (i.e., \$112,500.00), (4) Attorneys' Costs in an amount not to exceed Thirty Thousand Dollars (\$30,000.00), and (5) Settlement Administration Costs in an amount not to exceed Ten Thousand Dollars (\$10,000.00).

Twenty-Five Thousand Dollars (\$25,000.00) of the Gross Settlement Payment has been allocated towards penalties under the PAGA (the "PAGA Penalty Amount"), of which the California Workforce and Development Agency ("LWDA") will be allocated 75%, and the remaining 25% will be allocated to those individuals who were employed by Defendant as hourly-paid and/or non-exempt employees, but excluding those employed as commissioned vehicle salespeople, in the State of California at any time during the period from October 5, 2020 to May 2, 2022 (the "PAGA Period") and who have not previously released their employment-related claims against Defendant (the "PAGA Members.")

Settlement Class Members are eligible to receive payment of their pro rata share of the Net Settlement Fund ("Individual Settlement Share") based on the number of weeks that each Settlement Class Member is credited to have worked for Felix Chevrolet as an hourly-paid or non-exempt employee in the State of California, and not as a commissioned vehicle salesperson, and provided that they worked at least one day, at any time during the Class Period ("Workweeks"). PAGA Members shall receive their pro rata share of the 25% of the PAGA Penalty Amount allocated to PAGA Members based on the total number of Workweeks the PAGA Member worked during the PAGA Period regardless of whether the PAGA Member submitted a timely, valid Request for Exclusion.

The Settlement Administrator has divided the Net Settlement Fund by the Workweeks of all Settlement Class Members to yield the "Estimated Workweek Value" and multiplied each Settlement Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator shall divide the final Net Settlement Fund by the Workweeks of all Settlement Class Members who did not submit a valid and timely Request for Exclusion ("Participating Class Members") to yield his or her Individual Settlement Payment, which shall be paid from the Net Settlement Fund, less applicable employee-side tax withholdings.

Each Individual Settlement Share will be allocated twenty percent (20%) to wages, which will be reported on an IRS Form W2, and eighty percent (80%) to penalties and interest, which will be reported on an IRS Form 1099 (if applicable). The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wage portion of the Individual Settlement Shares, and issue checks to Participating Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The employer's share of taxes on the wage portion of Individual Settlement Shares will be paid by Felix Chevrolet separately and in addition to the Gross Settlement Payment.

6. WHAT IS MY ESTIMATED INDIVIDUAL SETTLEMENT SHARE?

According to Felix Chevrolet's records, during the period **from March 3, 2018 to May 2, 2022 you worked for Felix Chevrolet as an hourly-paid or non-exempt employee in California, and not as a commissioned vehicle salesperson, for approximately [REDACTED] Workweeks.**

If you wish to dispute the Workweeks credited to you in this Notice, you must submit a written, signed challenge ("Dispute") to the Settlement Administrator. The Dispute must contain: (a) the case name and number of the

Action (*Daniel Analco v. Felix Chevrolet, LP*, Los Angeles Superior Court Case No. 21STCV36654), (b) your signature, (c) your full name, address, telephone number, and the last four digits of your Social Security Number and/or Employee ID number, (d) a statement that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you, and (e) information and/or documentation demonstrating that the number of Workweeks that you contend should be to you are correct.

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

You Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Share may be higher or lower.

7. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?

If the Court approves the Settlement, the Court will enter a judgment and the Settlement Agreement will bind all Settlement Class Members who have not submitted a timely and valid Request for Exclusion. This will bar all such Settlement Class Members from bringing certain claims against Felix Chevrolet.

As more fully explained in the Settlement Agreement, upon the funding of the Gross Settlement Payment and all applicable employer-side payroll taxes by Defendant, each and every Settlement Class Member who does not timely opt out of the Settlement, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns, shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged any and all of the Defendant Felix Chevrolet, LP, and its past, present and/or future, direct and/or indirect, principals, owners, executives, officers, directors, members, managers, employees, agents, representatives, attorneys, accountants, auditors, consultants, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers (the "Released Parties"), and shall be permanently barred and enjoined from the institution or prosecution of any and all any and all claims, rights, causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind of nature, that are alleged, or reasonably could have been alleged based on the factual allegations and the claims asserted in the operative complaint of this Action, including, all claims for unpaid overtime wages, unpaid minimum wages, meal period violations, rest period violations, final wages not timely paid, wages not timely paid during employment, failure to provide accurate wage statements, failure to maintain accurate payroll records, failure to reimburse necessary business expenses, and unlawful business practices under the California Labor Code and/or the California Business and Professions Code, including all claims for restitution or equitable relief, damages, penalties, attorneys' fees and costs, asserted or that might have been asserted by any Settlement Class Member against the Released Parties based on the facts or claims alleged in the Action during the Class Period (the "Settled Class Claims").

Additionally, regardless of whether a PAGA Member timely opts out from this Settlement, each PAGA Member, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns, shall be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all claims, rights, causes of action, penalties, liabilities, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy in law or equity under the California Labor Code Private Attorneys General Act of 2004 that are alleged or reasonably could have been alleged based on the factual allegations and the claims asserted in the operative complaint of this Action and/or the PAGA Notice, including any and all claims, rights, or causes of action for civil penalties, attorneys' fees, and costs pursuant to PAGA, California Labor Code section 2698 *et seq.*, predicated on violations of California

Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and/or of the applicable Industrial Welfare Commission Wage Orders asserted in the Action, asserted or that might have been asserted by any Settlement Class Member against the Released Parties based on the facts or claims alleged in the Action during the PAGA Period (the “Settled PAGA Claims”).

Settlement Class Members shall be permanently barred and enjoined from the institution or prosecution of any and all Settled Claims and Settled PAGA Claims against the Released Parties, except as to such rights or claims as may be created by the Settlement, subject to the continuing jurisdiction of the Court.

The information provided in this Notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all of these terms, including the releases that will bind you as a class member if you do not submit a Request for Exclusion, are set forth fully in the Settlement Agreement that is on file with the Court and which can also be found at www.ilymgroup.com. If the Court does not approve the Settlement, or the Settlement does not become final for some other reason, the litigation against Felix Chevrolet will continue.

8. WHAT ARE MY RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER?

A. PARTICIPATE IN THE SETTLEMENT

If you wish to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and will be issued your Individual Settlement Payment. If you participate in the Settlement, you will be bound by its terms and any judgment that may be entered by the Court based thereon, and you will release all of the claims described in Section 7 above. As a Participating Class Member, you will not be separately responsible for the payment of attorneys’ fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys’ fees and expenses.

B. EXCLUDE YOURSELF FROM THE SETTLEMENT

If you wish to exclude yourself from the Settlement because you wish to pursue a separate lawsuit against Felix Chevrolet for the claims asserted in this Action, or if you do not wish to participate in the Settlement for other reasons, you must submit a signed Request for Exclusion to the Settlement Administrator asking to exclude yourself from the Settlement. The Request for Exclusion must: (a) contain the case name and number of the Action (*Daniel Analco v. Felix Chevrolet, LP*, Los Angeles Superior Court Case No. 21STCV36654), (b) include your signature, (c) include your name, address, telephone number, and the last four digits of your Social Security number and/or the Employee ID number, (d) include a clear statement requesting to be excluded from the Settlement, and (e) be submitted to the Settlement Administrator by mail or facsimile, postmarked or fax-stamped no later than [Response Deadline] to the following mailing address or fax number:

ILYM Group, Inc.
[Mailing Address]
[Facsimile Number]

No Requests for Exclusion that are postmarked after [Response Deadline] will be valid. Requests for Exclusion that do not include all of the required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Settlement Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section 7 above), and will not have any right to object

to, appeal, or comment on the Settlement. Any Settlement Class Member who does not submit a valid and timely request for exclusion will be deemed Participating Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 7 above, as well as any judgment that may be entered by the Court based thereon.

PAGA Members will receive their share of the PAGA payment, regardless of whether they opt out of being a Settlement Class Member.

C. OBJECT TO THE SETTLEMENT

If you don't think the Settlement is fair, you can object to the Settlement and tell the Court you don't agree with the Settlement or some part of it as long as you have not submitted a Request for Exclusion from the Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection. To be valid, a written objection must: (a) contain the case name and number of the Action (*Yunis v. Sharif Jewelers*, Case No. 34-2020-00290080), (b) include your signature, (c) include your name, address, telephone number, and the last four digits of your Social Security number and/or your Employee ID number, (d) the specific reason including any legal grounds for your objection, (e) state whether you intend to appear at the Final Approval Hearing, and (f) be submitted to the Settlement Administrator by mail or facsimile, postmarked or fax-stamped no later than [Insert Response Deadline] to the Settlement Administrator listed in Section VIII.B.

9. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on [Date] at [Time] in Department 53 of the Stanley Mosk Los Angeles County Courthouse, located at 111 N. Hill Street, Los Angeles, California 90012 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve and award Attorneys' Fees and Costs to Class Counsel and the Class Representative Enhancement Award. The hearing may be postponed without further notice to Settlement Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

10. WHAT IF I HAVE QUESTIONS?

A complete copy of the Settlement Agreement and this Notice are available at [www. \[Redacted\]](http://www. [Redacted]). This website will be updated periodically to update the Settlement Class Members on any developments in the case.

For further information about this case, you may contact Class Counsel, or the Settlement Administrator, ILYM Group, Inc. as follows:

Jonathan Genish
Miriam Schimmel
Joana Fang
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California, 90211
Tel: 310-622-4278

ILYM Group, Inc.
[Address/Contact Information]

DO NOT CONTACT THE COURT, FELIX CHEVROLET, OR FELIX CHEVROLET'S ATTORNEYS ABOUT THIS NOTICE.