CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and Private Attorney General Act (PAGA) Settlement Agreement (hereinafter, the "Agreement") is made by Plaintiff Anthony Colbourne, on behalf of himself, members of the Settlement Class (defined below), and the State of California as its designated representative pursuant to the PAGA (collectively, the "Plaintiffs") and Defendant Rayne Dealership Corporation (Defendant). Plaintiffs and the Defendant will, at times, be collectively referred to herein as "the Parties."

I. THE LITIGATION.

1. On January 8, 2025, Plaintiff Anthony Colbourne filed notice with the Labor Workforce Development Agency (LWDA). On March 27, 2025, Plaintiff filed a PAGA enforcement action in the Superior Court of California for the County of San Diego entitled *Anthony Colbourne, et al. v. Rayne Dealership Corporation, et al.,* Case Number 25CU016047C. The claims asserted include: (a) failure to pay state minimum, regular, prevailing, and vacation wages via the PAGA; (b) failure to pay state overtime wages via the PAGA; (c) failure to timely pay wages via the PAGA; (d) meal and rest break Labor Code violations via the PAGA; (e) wage statement violations via the PAGA; (f) failure to maintain payroll records via the PAGA; (g) failure to reimburse business expenses via the PAGA; (h) failure to pay sick pay; and (i) violations of miscellaneous Labor Code provisions via the PAGA.

2. On May 30, 2025, Defendant filed an answer. Shortly after, Plaintiffs served Defendant with discovery and continued their case investigation.

3. On August 26, 2025, the Parties filed a joint stipulation to allow a filing of a First Amended Complaint (FAC). On September 29, 2025, Plaintiff filed the FAC, alleging class and PAGA claims. On November 10, 2025, Defendant filed an answer.

4. From the outset, Plaintiffs made clear their desire to mediate this case. Eventually, the Parties concluded that it would be more economically efficient to pursue private mediation than continue litigating.

Accordingly, the Parties suspended formal discovery and focused their efforts on mediation.

5. In preparation for mediation, the Defendant provided Plaintiffs a 25% random sampling of Class members' wage statements and time entry data, employee handbooks and policy documents governing the Defendant's employment practices, and other key information, including the total number of workweeks and Class size. This information enabled Plaintiffs to evaluate liability, assess damages, and meaningfully prepare for mediation.

6. The Plaintiffs hired Creal Consulting, Inc., an accounting firm specializing in the forensic examination of pay records in wage and hour class and PAGA litigation, to evaluate the Class data and pay records.

7. On December 1, 2025, the Parties, through counsel, participated in a full-day of private mediation before Jill Sperber, Esq. On January 7, 2026, the Parties accepted the mediator's settlement proposal. The Parties then proceeded to negotiate and finalize the terms of this Agreement.

8. This Agreement resolves all disputed claims. The payments the Defendant agrees to make under this Agreement shall satisfy all claims that were or could have been alleged in the litigation, including but not limited to claims for wages, civil and statutory penalties, and interest, and shall include payment for PAGA penalties, individual settlement awards, attorneys' fees, litigation costs and expenses, enhancement payment to the Class Representative, and all settlement administration costs.

9. Because this is a putative class action, this Agreement is subject to preliminary and final approval by the Court and is therefore entered into on a conditional basis. If the Court does not enter Final Judgment (defined below), or if such Final Judgment does not become Final (defined below) for any reason, is modified in any material respect, or if the Effective Date (defined below) does not occur, this Agreement shall be null and void *ab initio* and shall have no force or effect whatsoever. In such event, this Agreement shall not be referenced or used for any purpose, and the Parties shall be restored to the positions they occupied as of the day immediately preceding the execution of this Agreement.

10. The Defendant denies all allegations of liability, damages, and class certification asserted by Plaintiffs. The Defendant does not waive and expressly reserves all rights to contest such claims and allegations on any substantive or procedural grounds, including, without limitation, the right to enforce any applicable arbitration agreements and the right to contest class certification, should Final Judgment not become final for any reason or if the Effective Date does not occur.

II. DEFINITIONS.

The following are definitions applicable to this Agreement. Definitions contained elsewhere in the body of this Agreement shall also be applicable to this Agreement.

1. "Aggrieved Employees" – means all nonexempt individuals that the Defendant employed in California during the PAGA Period.

2. "Class Member(s)" – means all nonexempt individuals the Defendant employed in California during the Class Period.

3. "Class Counsel" – means Thomas D. Rutledge, Esquire of the Law Office of Thomas D. Rutledge and Ian Pancer, Esquire and Joe Virgilio, Esquire of the Pancer Law Corporation.

4. "Class Counsel Attorneys' Fees" – refers to the amount awarded to Class Counsel by the Court for prosecuting and obtaining a settlement of the Litigation.

5. "Class Counsel Attorneys' Costs" – refers to the amount awarded to Class Counsel by the Court for their actual costs incurred in prosecuting and obtaining a settlement of the Litigation.

6. "Class Period" – means the period commencing on March 27, 2021 through the date of the Order Granting Preliminary Approval, or the date as provided in Section IX paragraph 8(b).

7. "Class Representative Enhancement Payment" – means the sum to be paid to the Plaintiff as service for his role as Class Representative of $10,000.

8. "Defendant" – means Rayne Dealership Corporation.

9. "Effective Date" – means the date by which both of the following have occurred: (a) this Settlement is finally approved by the Court and (b) the Court's order approving the Class Settlement becomes Final.

10. "Final" – means the latest of: (a) if an appeal, writ, or other appellate proceeding has been initiated after Final Approval, the Judgment shall be deemed Final on the date on which any appeal, writ, or other appellate proceeding(s) has been dismissed or is finally resolved consistent with the terms of the settlement and with no right to pursue further remedies or relief; or (b) if no appeal writ or other appellate proceeding is filed after Final Approval of the settlement, the Judgment shall be deemed Final sixty-one (61) days after Notice of Entry of Final Settlement Approval and Judgment is served.

11. "Final Judgment" – refers to the Court's Order granting final approval of the PAGA and Class Settlement and entering judgment on the Litigation.

12. "Final Approval Hearing" – means the hearing to be conducted by the Court to determine whether to enter the Final Judgment.

13. "Gross Settlement Fund" or "Gross Settlement Amount" – refers to the settlement amount of **$1,200,000**, which is the maximum amount the Defendant shall be required to pay under this Agreement, except as otherwise provided with respect to the employer's share of payroll taxes, which the Defendant shall pay separate and apart from the Settlement Amount.

14. "Litigation" – means the action entitled *Anthony Colbourne, et al. v. Rayne Dealership Corporation, et al.,* Case Number

25CU016047C, pending before the San Diego County Superior Court, as alleged in a First Amended Complaint.

15. "Motion for Preliminary Approval" – refers to the Motion for Preliminary Approval of the Settlement and its supporting papers that Plaintiffs shall file within fifteen (15) business days following the execution of this Agreement.

16. "Net Settlement Fund" or "Net Settlement Amount"– means the Gross Settlement Fund, less the following the payments: (a) Class Counsel Attorneys' Fees; (b) Class Counsel's Costs; (c) Class Representative Enhancement Payment; (d) Settlement Administration Expenses; and (e) PAGA Payment to the LWDA.

17. "Notice" or "Notice Packet" – refers to the Notice of Proposed Class Action and PAGA Settlement attached as **Exhibit 1** to this Agreement.

18. "Order Granting Preliminary Approval" – refers to the Court's order preliminarily approving the Settlement.

19. "PAGA" means the California Labor Code Private Attorneys' General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"), as amended.

20. "PAGA Payment" – means the portion of the Gross Settlement Fund payable to the LWDA for penalties pursuant to the PAGA. This amount has been identified as $75,000. The Total PAGA Payment is divided into the "PAGA Payment to the LWDA" (65%, $48,750.00) and the "PAGA Payment to Aggrieved Employees" (35%, $26,250.00).

21. "PAGA Period" – means from January 8, 2023 to the date of the Court's Order Granting Preliminary Approval, or the date as provided in Section IX paragraph 8(b).

22. "Parties" – means Plaintiff Colbourne, individually and in his capacity as Class Representative and quasi representative of the State of California and Aggrieved Employees under the PAGA, on the one hand, and the Defendant Rayne Dealership Corporation, on the other hand.

23. "Plaintiff" – means Anthony Colbourne, individually and in his capacity as Class Representative and quasi representative of the State of California and Aggrieved Employees under the PAGA.

24. "Preliminary Approval Hearing" – means the hearing to be conducted by the Court to determine whether to grant the Plaintiffs' Motion for Preliminary Approval.

25. "Released Parties" – means the named Defendant, including Rayne Dealership Corporation's past, present and future officers, directors, shareholders, partners, managers, employees, agents, and assigns, all past, present, and future parent, and subsidiary entities and all past, present, and future officers, directors, shareholders, partners, managers, employees, agents, and assigns of such parent and subsidiary.

26. "Settlement" – means the settlement of the Litigation and related claims effectuated by this Agreement. This Settlement was reached with the assistance of mediator Jill Sperber, Esq. after the Parties participated in a full-day private mediation with Ms. Sperber on December 1, 2025.

27. "Settlement Administration Expenses" – means those expenses of effectuating and administering the Settlement, i.e., the costs incurred by the Settlement Administrator.

28. "Settlement Administrator" – means Phoenix Settlement Administrators, or any other third-party administrator selected by the Parties.

29. "Settlement Class" and/or "Settlement Class Members" – means all those persons who are Class Members who have not properly and timely opted out of the Litigation.

30. "Settlement Payments" – means the amounts to be paid from the Net Settlement Fund to individual Settlement Class Members.

III. ALLOCATION OF THE GROSS SETTLEMENT FUND.

1. Funding of the Gross Settlement Amount: Within twenty (20) business days of the Effective Date, Defendant will deposit the Gross Settlement Amount and all applicable employer-side payroll taxes into a Qualified Settlement Fund ("QSF") to be established by the Settlement Administrator. The Settlement Administrator shall maintain the QSF as a Qualified Settlement Fund within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, et seq., and shall request and obtain from the IRS an appropriate Tax ID for the QSF. Defendant shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than ten (10) business days of the Effective Date. The Settlement Administrator shall be responsible for calculating, withholding, reporting and paying all required taxes and other required deductions, contributions and payments. The Settlement Administrator shall provide to Defendant at least twenty (20) business days prior to the funding date the amount required to cover the employer payroll taxes.

2. The Gross Settlement Fund Allocations: Within 20 business days of the Effective Date, the Settlement Administrator shall distribute the Court-approved Gross Settlement Fund proceeds to the following:

a. PAGA Distribution. $75,000 of the Gross Settlement Fund is allocated as PAGA penalties. Of this amount, $48,750 is payable to the LWDA as civil penalties pursuant to the PAGA per Labor Code § 2699(m), which currently requires sixty-five percent (65%) of PAGA penalties to be paid to the LWDA. The remaining twenty-five percent (35%) ($26,250) will be payable as the "PAGA Payment to Aggrieved Employees," as part of the Net Settlement Amount explained below. The Parties represent that the PAGA allocation reflects a reasoned compromise based on the number of

Aggrieved Employees, the nature of the alleged violations, litigation risk, manageability concerns, and the penalties realistically recoverable under PAGA.

b. Class Counsel's Attorneys' Fees. The Parties agree that 33% of the Gross Settlement Fund is payable to Class Counsel for their attorneys' fees. Per agreement, fifty percent (50%) of the proceeds are payable to Thomas D. Rutledge of the Law Office of Thomas D. Rutledge and fifty percent (50%) of the proceeds are payable to the Pancer Law Corporation. Before the Final Approval hearing, Class Counsel will request the court to award Class Counsel Attorneys' Fees in an amount not to exceed 33% of the Gross Settlement Fund, and the Defendant and Released Parties agree not to contest any request for fees up to that amount. Any attorneys' fee award shall be subject to a lodestar cross-check. Should the Court approve less than the requested amount, such reduced approval shall not be grounds for rescission of this Settlement. Further, Class Counsel, all, one, or some, may elect to have the Settlement Administrator, directly or indirectly, disperse all or part of his attorneys' fees award paid to him/her in periodic payments, through a structured settlement and/or to an assignee. The Class Counsel who chooses to seek periodic payments, through a structured settlement and/or to an assignee will bear any and all costs, fees, and expenses of administration for any periodic payments of such award and shall be fully responsible for any taxes, costs, liabilities, attorneys' fees, and/or penalties resulting from any issues, claims, and/or disputes arising out of, related to, or incurred in connection with any such periodic payments, including without limitation, any such issues, claims, and/or disputes brought by the state or federal government concerning the payment of taxes thereon. Class Counsel shall indemnify, defend, and hold Released Parties harmless for all taxes, costs, liabilities, attorneys' fees, and/or penalties resulting from any issues, claims, and/or disputes arising out of, related to, or incurred in connection with any such periodic payments. Nothing herein requires Class Counsel to indemnify Defendant for tax consequences unrelated to Defendant's own statutory obligations. To the extent the Court approves any award for attorneys' fees that does not equal 33% of the Gross Settlement Amount, Class Counsel retains the right to appeal the Court's award. Any appeal by Class Counsel of a fee award shall not delay distribution of the Net Settlement Fund to Settlement Class Members. Should Class Counsel appeal the Court's award, the difference between the amount awarded and the amount disputed on appeal shall be retained by the Settlement Administrator pending Class Counsel's appeal. After resolution of any appeal, any funds not awarded to Class Counsel then in possession of the Settlement Administrator will be added to the Net Settlement Fund for distribution to Settlement Class Members by the Settlement Administrator on a proportional basis relative to the size of their Settlement Shares, in accordance with other administration and distribution requirements hereunder, and Class Counsel shall pay any additional costs incurred by the Settlement Administrator for this purpose. Under no circumstances will Defendant be required to pay more than the Gross Settlement Amount. The Parties agree that the Court's approval of any request for attorneys' fees and costs is not a condition of the Settlement Agreement and that an award of less than the amounts requested would not give rise to a basis for Plaintiffs or their counsel to abrogate the Settlement Agreement. Plaintiff acknowledges that he has been advised by this writing of the proposed award of fees associated with this Settlement and hereby consents thereto.

c. **Class Counsel's Litigation Costs**. Class Counsel may seek Court-approved reimbursement from the Gross Settlement Fund for reasonable fees agreed upon between Class Counsel and any related action filer and necessary litigation costs actually incurred in connection with this Action or any related action if an agreement is reached between Class Counsel and any related action filer. Before the Final Approval Hearing and as part of their motion for fees, Class Counsel shall file a motion requesting an award of litigation costs. Any such award shall be intended to compensate Class Counsel for actual costs incurred in connection with the prosecution and resolution of this Action, including, without limitation, costs incurred to date, as well as costs to be incurred in connection with obtaining Court approval of this Settlement, including responding to any objections, addressing any intervenors, and defending the Settlement on appeal. Any reduction by the Court of the requested litigation-cost award shall not constitute grounds for revocation, rescission, or modification of this Settlement.

d. **Class Representation Enhancement Payment.** The Plaintiff shall be allocated Ten Thousand dollars ($10,000) from the Gross Settlement Fund as a Class Representative Enhancement Payment in recognition of his service and contributions as Class Representative. The Class Representative Enhancement Payment is in addition to any amounts to which Plaintiff is otherwise entitled as a member of the Settlement Class. The Class Representative Enhancement Payment is subject to Court approval, and Plaintiff agrees to provide reasonable information and documentation in support of the requested Enhancement Payment. In the event the Court reduces or declines to approve the requested Class Representative Enhancement Payment, such reduction or denial shall not constitute grounds for revocation, rescission, or modification of this Settlement, which shall remain binding on all Parties.

e. **Settlement Administration Costs.** The Settlement Administrator shall receive $8,000 for its costs for settlement administration from the Gross Settlement Fund.

3. **Non-Reversionary Settlement.** No portion of the Gross Settlement Fund shall revert to the Defendant under any circumstances, including uncashed checks, disputes, opt-outs (if applicable), changed class size, or administrative adjustments.

4. **Net Settlement Fund.** Once the Settlement Administrator first deducts from the Gross Settlement Fund the foregoing amounts approved by the Court for the Attorneys' Fees and Costs, Settlement Administration Costs, Class Representative Enhancement Payment, and the PAGA Payment to the LWDA, the remaining amount shall be known as the "Net Settlement Fund," which shall be distributed as described below.

IV. DISTRIBUTION OF NET SETTLEMENT PROCEEDS.

1. **Distribution of Net Settlement Fund.** Within 20 business days of the Effective Date, or within 5 business days upon receipt of the Defendant's payment if later, the Settlement Administrator shall distribute the Net Settlement Fund as follows:

a. **Class Member Settlement Payments**: 100% of the Net Settlement Proceeds, less PAGA Payment to Aggrieved Employees, will be distributed to Settlement Class Members. Individual Class Member's share shall be calculated based on the number of weeks worked by the individual within the Class Period for the Defendant divided by the total number of weeks worked by all Settlement Class Members during the Class Period. The Defendant shall have the duty to accurately provide the Settlement Administrator with the total number of weeks that Settlement Class Members worked during the Class Period when providing the contact information to the Settlement Administrator.

b. PAGA Payment Proceeds to Aggrieved Employees. As specified above, $75,000 of the Gross Settlement Fund has been designated as civil penalties under the PAGA, of which 35% ($26,250) shall be distributed to Aggrieved Employees as part of the Net Settlement Fund. Each Aggrieved Employee shall receive a portion of the PAGA Payment to Aggrieved Employees proportionate to the number of pay periods that he or she worked during the PAGA Period, which shall be calculated by multiplying the PAGA Payment to Aggrieved Employees by a fraction, the numerator of which is each individual’s number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Aggrieved Employees during the PAGA Period.

c. No Credit Towards Benefit Plans. The Settlement Payments made to Settlement Class Members under this Agreement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans and that any such payments do not represent any modification of any Class Member’s previously credited hours of service or other eligibility criteria for purposes of any benefit plans.

2. Settlement Administrator: 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 administration of the Settlement. The Settlement Administrator will provide the following services: (i) Establish and maintain a Qualified Settlement Fund; (ii)

Calculate the Individual Settlement Payment each Participating Class Member is eligible to receive and the portion of the PAGA Payment each PAGA Member shall receive; (iii) Print and mail the Notice Packet in English and Spanish; (iv) Provide a toll-free telephone number for Class Members, to be included in the Notice; (v) Conduct additional address searches for mailed Notices that are returned as undeliverable; (vi) Process Requests for Exclusion, Objections and Workweek Challenges, and field inquiries from Class Members; (vii) Print and issue Settlement Payment Checks, prepare IRS W-2 and 1099 Tax Forms and any other filings required by any governmental taxing authority; (viii) Properly withhold and transmit all required taxes, including the employer payroll taxes, to the proper taxing authorities; (ix) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court regarding the settlement administration process; (x) Provide weekly status reports to counsel for the Parties; (xi) Posting a notice of final judgment online at Settlement Administrator's website; (xii) Translate the Notice Packet from English to Spanish; (xiii) Perform all such other reasonable services as customarily performed by class action settlement administrators.

3. Net Settlement Fund Distribution and Tax Reporting.

a. Settlement Administration. Within 10 business days of the Effective Date, the Settlement Administrator shall: (i) calculate Settlement Award amounts and provide the same to counsel for review and approval; (ii) upon approval by counsel, prepare and mail settlement awards, less applicable taxes and withholdings, to participating Settlement Class members and Aggrieved Employees; and, (iii) pay the withholdings to the applicable authorities with the necessary reports, submitting copies to counsel for the Defendant.

b. Tax Reporting of Class Action Payments. For purposes of calculating applicable taxes and withholdings, each Class Settlement Award shall be allocated as follows: seventy-five percent (75%) as penalties, reimbursed expenses, and interest; and twenty-five percent (25%) as wages. The Settlement Administrator will be responsible for issuing to Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. The Settlement Administrator will also calculate the amount of employment taxes owed by the Defendant on the wage portion of the distribution, and the Defendant will provide the amount of such employment taxes separate and apart from the Gross Settlement Amount; this is the only element of costs or other expenses that is not taken from the Gross Settlement Amount. The Settlement Administrator will handle submission of employer-side employment taxes on behalf of the employer through a suitable power of attorney.

c. **Tax Reporting of PAGA Payments**. The PAGA payments to Aggrieved Employees are counted 100% as penalties rather than wages for tax purposes. The Settlement Administrator will report the individual PAGA payments and the non-wage portions of the individual settlement payments on IRS 1099 Forms.

4. Non-Reversionary Settlement.

a. Each member of the Settlement Class who receives a settlement payment check, and all recipients of a PAGA Payment check, must cash such checks within 180 days from the date of mailing by the Settlement Administrator. If any check issued to a Settlement Class Member or Aggrieved Employee is returned as undeliverable, the Settlement Administrator shall make reasonable efforts to locate the individual and, after doing so, remailing the check.

b. After one hundred eighty (180) calendar days from the date of issuance, all uncashed checks shall become null and void. Any monies remaining in the Net Settlement Fund shall be distributed to the Unclaimed Property Fund with the California State Controller's Office under the name of each individual Class Member who did not cash their check. No portion of the Net Settlement Fund shall revert to Defendant under any circumstances, including uncashed checks, disputes, opt-outs (if applicable), change of class size, or administrative adjustments. The Net Settlement Fund shall not be replenished, recycled, or made available for future claims, supplemental distributions, or later-identified claimants. Upon completion of the distribution and disposition of any residual amounts as set forth herein, the Net Settlement Fund shall be deemed fully exhausted and permanently closed, and Defendant shall have no further payment obligation. The Defendant and Settlement Administrator also shall not bear any liability for lost or stolen checks, forged signatures on checks, uncashed checks, or unauthorized negotiation of checks.

V. RELEASE OF CLAIMS.

1. Scope of Settlement Class Member Release.

a. In exchange for the consideration described through this Settlement, the Settlement described herein will resolve fully and finally all claims that were brought in the Litigation, including, but not limited to, any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Litigation, including without limitation to, claims for restitution and other equitable relief, claims for unpaid minimum wages, unpaid gratuities, unpaid vacation and PTO pay, unpaid overtime wages, split shift pay violations, reporting time pay violations, regular rate pay violations, failure to provide rest periods or meal periods or to provide compensation in lieu thereof, meal period penalties, rest period penalties, waiting time penalties, claims for incomplete payroll records and wage statements, failure to timely pay final wages, failure to reimburse for business expenses, failure to provide a day of rest, cooldown recovery period violations, violations of the Heart Illness Prevention Statute, unfair business practices, wage statement violations, wage order violations, failure to provide accurate wage statements, failure to maintain required records, claims for declaratory relief, accounting, or injunctive relief, civil penalties brought under the PAGA on behalf of the LWDA, claims for penalties of any nature whatsoever arising out of the Settlement Class Members' Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the Litigation, including any amendment to the pleadings therein.

b. The Released class claims are limited to claims that were pled or that reasonably arise from the factual allegations asserted in the Operative Complaint, including but not limited to the following claims: (i) any and all federal, state, local and common law claims for unpaid wages (including minimum, regular, prevailing, vacation) and overtime (including, but not limited to any claims based on alleged improper rounding or working "off-the-clock"), (ii) failure to pay wages timely, including any related waiting time penalties (iii) meal and rest period violations, (iv) wage statement violations, (v) failure to provide and maintain records, (vi) failure to reimburse expenses , (vii) sick pay violations, (viii) unfair business practices, including all related claims for any attorneys' fees, interest, penalties and costs, and (ix) civil penalties under PAGA, to the extent based on the same factual predicate including but not limited to all statutory damages and civil penalties sought on behalf of the LWDA under the PAGA (including, but expressly not limited to relief demanded for alleged violations of Labor Code subdivision (k) of §§ 96, 98.6, 200, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, 210, 212, 213, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225.5, 226, 226.2, 226.7, , 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, 231, 232, 232.5, 233, 234, 245-251, 256, 351-356, 403, 404, 432, 432.2, 432.3 432.5, 432.7, 435, 450, 510, 511, 512, 513, 516, 550, 551, 552, 553, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1024.5, 1025, 1026, 1101, 1102, 1102.5, 1153,, 1174, 1776, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.3, 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, 1695, 1695.5, 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1777.5, 1811, 1815, 2441, 2651, 2673, 2673.1, 2698, 2695.2, 2699 et seq., , 2800, 2801, 2802, 2806, 2810, 2810.5, 2929, 3073.6, 3700.5, 6310, 6311, and 6399.7, 6409.6, 6432 as well as alleged violations of the corresponding IWC Wage Orders, California Business & Professions Code § 17200 *et seq.*, or any other source thereof, and all costs and attorneys' fees related thereto. The release does not extend to claims that are unrelated to wage-and-hour practices, including but not limited to claims for discrimination, harassment, retaliation, workers' compensation, unemployment insurance, disability benefits, or claims arising after the Preliminary Approval Date.

2. Conditional Agreement to Class Certification.

a. The Parties expressly note and agree that class certification for purposes of settlement is not an admission that class certification is proper under § 382 of the California Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held before entering into the Settlement Agreement.

b. Any individual(s) who elects to exclude him or herself from the Settlement Agreement and the terms thereof will not be able to benefit from any of the terms of the class settlement, shall not be eligible to object to the settlement, and shall not have the benefit of the limited waiver on class and/or collective claims including, but expressly not limited to the Parties' waiver of any claims or defenses against class-wide and other collective relief, statute of limitations defenses, and defenses that would preclude the certification or establishment of any class of aggrieved or similarly situated claimants. The Parties expressly recognize there has been no finding in this action that class-wide or other collective relief is justified under the facts and circumstances relating to the allegations raised by Plaintiffs in the Litigation. Indeed, there is sharp dispute between the Parties as to whether class-wide or other collective relief would be available or appropriate because the facts and circumstances relating to the allegations raised by the Plaintiffs. No member of the Class (including any who choose to exclude him or herself from the Settlement) may rely on this Settlement Agreement or the terms thereof as they may be applied to other members of the Class as a basis for seeking to bring any existing or future class allegation or other claim.

3. Scope of the Named Plaintiff's Release.

a. For the purpose of implementing a full and complete release of their claims against Released Parties, Plaintiff Colbourne expressly acknowledges that the releases given in this Settlement Agreement are intended to include, without limitation, any and all claims that Plaintiff may have against Released Parties, including but not limited to those claims that Plaintiff did not know or suspect to exist in his favor at the time of the effective date of this Settlement Agreement, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter; and that the consideration given under this Settlement Agreement was also for the release of those claims and contemplates the extinguishment of all known, and any unknown, claims. Plaintiff makes this complete release of claims, waiving any rights provided to them under Civil Code § 1542, which provides as follows:

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

VI. SETTLEMENT ADMINISTRATION PROCEDURE.

1. **Motion for Preliminary Approval.** Plaintiffs will prepare the Motion for Preliminary Approval and will provide Defendant with a reasonable period of time to review and approve the motion papers prior to filing with the Court. Plaintiffs shall apply to the Court for the entry of an Order:

a. Conditionally certifying the Settlement Classes for purposes of this Settlement Agreement;

b. Appointing Thomas D. Rutledge, Esquire of the Law Office of Thomas D. Rutledge and Ian Pancer, Esquire and Joe Virgilio, Esquire of the Pancer Law Corporation as Class Counsel;

c. Appointing Anthony Colbourne as the Class Representative;

d. Approving Phoenix Settlement Administrators as the Settlement Administrator;

e. Preliminarily approving this Settlement and its terms as fair, reasonable, and adequate;

f. Approving the form and content of a Notice Packet and directing the mailing of same; and

g. Scheduling a Final Approval hearing.

VII. NOTICE TO SETTLEMENT CLASS.

1. **Notice Timing and Distribution.** The Parties agree that Plaintiffs shall seek Court-approval of the draft Notice attached hereto as **Exhibit 1**.

a. Within fifteen (15) business days after entry of an order preliminarily approving this Agreement, the Defendant will provide the Settlement Administrator with a password protected document containing the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of weekly pay periods that each Class Member worked during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator. The Settlement Administrator shall keep the Class Data strictly confidential and shall not disclose the information to any other person or entity, including Class Counsel, unless otherwise ordered by the Court.

b. Within five (5)business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database (or its substantial equivalent) to determine any updated addresses for Settlement Class members; (ii) update the addresses of any Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Class member; and (iv) mail a Notice Packet to each Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

c. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be remailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace" service to obtain an updated mailing address within five (5) calendar days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall immediately resend the Notice Packet to the Settlement Class member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Class members to whom Notice Packets are remailed after having been returned as undeliverable to the Settlement Administrator shall have twenty (20) calendar days from the date of remailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are remailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or the Defendant's attorneys to provide notice of the proposed settlement.

2. Options Upon Notice. Per the Notice document attached hereto as **Exhibit 1,** Class Members have the opportunity, should they disagree with the records regarding the information and the amount stated they are receiving in the Notice, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The postmark date for the dispute shall be the exclusive means used to determine whether a dispute has been timely submitted. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Court shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement, if the Parties cannot reach an agreement.

3. Requests for Exclusion. Any Class Member who wishes to opt-out of the class settlement must complete and mail a Request for Exclusion (a copy of which is part of the Notice Packet in **Exhibit 1**) to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline"). The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Class Member; (2) contain a statement that the Class Member wishes to be excluded from the class settlement; (3) be signed by the Class Member;

and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will be deemed invalid for exclusion from the class settlement, except a Request for Exclusion not containing a Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the class settlement will not have the right to any recovery under the Settlement provisions and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon, although the PAGA settlement and release provisions will apply to each Aggrieved Employee without any option for exclusion, and each such individual shall have the right to his or her share of the PAGA Distribution. Any Class Member who does not submit a Request for Exclusion is automatically deemed a Settlement Class Member; there is no requirement that any claim form be submitted.

4. Objections. Settlement Class members who do not request exclusion may object to this Settlement Agreement within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline"). As explained in the Class Notice (**Exhibit 1**), objecting Class Members must send their written objections to the Settlement Administrator who, in turn, must promptly provide all objections to Class Counsel and counsel for the Defendant within two (2) business days of receipt. Class Counsel must thereafter file all such objections with the Court. Class Counsel will be responsible for responding to and opposing any objections or challenges to the settlement before the Final Approval Hearing. To be valid, any objection must: (1) contain the objecting Class Member's full name, last four digits of his or her Social Security Number, telephone number, and current address; (2) include all objections and the factual and legal bases for same; (3) include all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. 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, either personally or through their own counsel, in order to have their objections heard by the Court. Class Members who submit a request for exclusion are prohibited from submitting or making any objection.

VIII. FINAL ORDER AND JUDGMENT.

1. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will provide Defendant with a reasonable period of time to review and approve the final approval papers prior to Plaintiffs filing the motion. Before the Final Approval Hearing, Class Counsel shall present the Court with a proposed order and judgment that will request the Court to finally approve the Settlement and enter Final Judgment. If Court approved, the proposed order and judgment shall constitute the Final Judgment. Once the Settlement is fully funded, the case will be automatically dismissed with prejudice. The Court, however, shall reserve continuing jurisdiction as required to effectuate the provisions set forth herein. The Parties agree that for good cause and approval by the Court, the Final Approval/Settlement Fairness Hearing may be moved to a later date without the necessity of further notice to the Class Members.

2. Upon Final Judgment, Settlement Class Members are conclusively deemed to have released the Defendant and the Released Parties of and from all rights, claims, demands, liabilities, causes of action, liens and judgments arising out of or in any way related to the matters within the scope of the Litigation, consistent with the release provisions herein.

3. **<u>Notice to the LWDA</u>**. On or before the date on which the Motion for Preliminary Approval of Settlement is filed, Class Counsel shall provide notice to the LWDA of the settlement and its terms as required by PAGA. Within ten (10) days after entry of the Final Approval, Class Counsel shall provide a copy of the Final Approval and Judgment to the LWDA as required by PAGA.

IX. MISCELLANEOUS TERMS.

1. **Non-Admission of Liability**. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failure to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions 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.

2. Confidentiality. This settlement is not confidential. However, prior to Final Approval, Class Counsel and Plaintiffs agree to make no statement to the media relative to the Litigation or the Agreement, agree to make no press or media release, agree not to post information about the Litigation or the Agreement on any website or social media site, and agree they will not otherwise publicize the Litigation or the terms of the Agreement in any way. Communications to the Class Members regarding the Settlement of the Litigation shall be made only pursuant to the Court-approved Notice. Plaintiffs and Class Counsel further agree that they will not at any time issue any press or media releases about the Settlement, or post information about the Settlement on any media site, or engage in any advertising or distribution of any marketing materials relating to the Settlement that in any manner identifies the Defendant, except that Class Counsel may identify this Settlement in other litigation matters to demonstrate to the Court in such other matters their adequacy to serve as class counsel. This provision does not apply to prevent any necessary disclosure to the Court or the LWDA to seek approval of the Settlement, any court filings or notices to be sent to Class Members by the Settlement Administrator, or the posting of the Final Judgment of this Settlement on the Settlement Administrator's website to the extent required by the Court in connection with approval of the Settlement.

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

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

5. **Judgment and Continued Jurisdiction**. Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

6. **Labor Code Sections 206 and 206.5**. The Parties agree that this Settlement involves the settlement of highly contested and disputed claims, such that the provisions of California Labor Code sections 206 and 206.5 are not applicable to this Settlement or the Releases required by this Agreement.

7. **Defendant's Right to Cancel**. If ten percent (10%) or more of the Class Members validly and timely request exclusion from the Settlement, the Defendant may, in their sole discretion, elect to terminate this Agreement by providing written notice of such election to both Class Counsel and the Settlement Administrator. In the event the Defendant elects to terminate the Agreement pursuant to this provision, the Defendant shall remain responsible for payment of any reasonable costs incurred by the Settlement Administrator.

8. **Escalation Clause.** If the actual number of Class Members or total workweeks during the Class Period exceeds by more than ten percent

(10%) the estimates provided by the Defendant to the Plaintiffs in connection with and in reliance upon this settlement—specifically, 395 Class Members and 20,534 workweeks as of September 29, 2025—then Defendant shall have the option of (a) increasing the Gross Settlement Fund by the percentage increase in the number of workweeks worked by the class members above 10% (*e.g.*, if the number of workweeks increases by 11%, the Gross Settlement Fund will increase by 1%), or (b) rolling back the Class Period to the date immediately prior to the date when the increase in total Workweeks exceeds 10% (*i.e.*, 22,587 total Workweeks).

9. No Effect on Other Benefits. The settlement shares will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiff or Settlement Class Members, and Plaintiff and Settlement Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement.

10. Waiver and Amendment. The Parties may not waive, amend, or substantially modify any material provision of this Settlement Agreement except by a written agreement signed by all the Parties, and subject to any necessary Court approval. Nonmaterial amendments or modifications to this Agreement, however, may be made in writing between Class Counsel and Defendant's Counsel without the need to seek the Court's approval or additional signatures of the Parties. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

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

12. Default; Stipulated Judgment; Attorneys' Fees and Costs. In the event the Defendant fails to timely make any payment required under this Agreement and fails to cure such default within ten (10) calendar days after written notice from Class Counsel, the entire settlement becomes enforceable under Code Civ. Pro. § 664.6 and Plaintiffs may apply to the Court for entry of judgment in the amount of the unpaid Settlement Amount, together with all reasonable attorneys' fees and costs incurred in enforcing this Agreement. The Defendant expressly consents to the Court's continuing jurisdiction to enter and enforce such judgment. Any attorneys' fees and costs awarded pursuant to this provision shall be payable by the Defendant and shall not reduce the Gross Settlement Fund.

13. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

a. If to Plaintiffs:

Thomas D. Rutledge
Attorney-at-Law
16956 Via De Santa Fe, Suite 1847
Rancho Santa Fe, California 92091
Telephone: (619) 886-7224
thomasrutledgelaw@gmail.com

Ian Pancer, Esq.
Joe Virgilio, Esq.
Pancer Law Corporation
4603 Mission Blvd., Ste. 220
San Diego, California 92109
Telephone: (619) 955-6644
Facsimile: (619) 374-7410
ian@sandiegolegal.net

joe@sandiegolegal.net

b. If to the Defendant:

Lauren E. Wertheimer, Associate
Vedder Price
1925 Century Park East, Suite 1900
Los Angeles, California 90067
Telephone: (424) 204-7791
lwertheimer@vedderprice.com

14. Stay. All proceedings in this action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement, including moving for preliminary approval and final approval of this Settlement, are hereby stayed.

15. Entire Agreement. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings before the date hereof relating to the subject matters hereof. The Parties further agree that the provisions of California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a) shall fully apply to this Agreement.

16. Counterparts. This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts, by electronic signature (such as via Docusign) and delivered electronically, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

10. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of each of the Parties.

11. California Law. All terms of this Agreement and its Exhibits shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

Plaintiff

Dated: 2/11/2026

DocuSigned by:
E94B6451EF1045A...

ANTHONY COLBOURNE

Defendant RAYNE DEALERSHIP CORPORATION

Dated: 2/11/2026

SVP & General Counsel

For Defendant RAYNE DEALERSHIP CORPORATION

Exhibit 1

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

Colbourne, et al. v. Rayne Dealership Corporation, et al.
Superior Court of California for the County of San Diego
Case No. 25CU016047C

THIS IS A COURT-AUTHORIZED NOTICE.
IT IS NOT A SOLICITATION.

To:	**All persons employed by Defendant Rayne Dealership Corporation in the State of California at any time from March 27, 2021 to [the date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%] ("Class Members").**

PLEASE READ THIS NOTICE CAREFULLY
THIS MAY AFFECT YOUR LEGAL RIGHTS

The purpose of this Notice ("Notice") is to inform you of the proposed Class and Private Attorney General Act ("PAGA") settlement ("Settlement") in the above-entitled consolidated class and PAGA action ("Action") and your rights under it. You have received this Notice because the Defendant Rayne Dealership Corporation's ("Defendant") records indicate that you are a Class Member and/or Aggrieved Employee and are included in the Settlement described in this Notice. A "Class Member" includes all persons the Defendant employed in the state of California during the Settlement Class Period from March 27, 2021 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%]. An "Aggrieved Employee" includes all persons who were employed by the Defendant in the state of California during the PAGA Period from January 8, 2023 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%].

The Court has preliminarily approved the proposed Settlement and this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or choose not to act. Read this Notice carefully. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to the named Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant, all of their past, present and future officers, directors, shareholders, partners, managers, employees, agents, and assigns, all past, present, and future parent, and subsidiary entities and all past, present, and future officers, directors, shareholders, partners, managers, employees, agents, and assigns of such parent and subsidiary ("Released Parties").

It is possible the Court will decline to grant Final Approval of the Settlement. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void. In this event, the Defendant will not pay any money and Class and Aggrieved Employees will not release any claims against Defendant and/or Released Parties.

THE FOLLOWING RECITATIONS DO NOT CONSTITUTE THE FINDINGS OF THE COURT NOR SHOULD THEY BE UNDERSTOOD TO BE AN EXPRESSION OF THE COURT'S VIEWS ON THE MERITS OF ANY CLAIM OR DEFENSE RAISED BY THE PARTIES.

CASE INFORMATION

1. What is this settlement about?

On January 8, 2025, Plaintiff Anthony Colbourne, on behalf of himself, the State of California, and Aggrieved Employees as their designated proxies pursuant to the PAGA, filed a PAGA enforcement action in the Superior Court of California for the County of San Diego entitled *Colbourne, et al. v. Rayne Dealership Corporation, et al.,* which case was assigned Case Number 25CU016047C. The claims asserted include (a) failure to pay state minimum/regular/prevailing/vacation wages via the PAGA; (b) failure to pay state overtime wages via the PAGA; (c) failure to timely pay wages via the PAGA; (d) claims for meal and rest break Labor Code violations via the PAGA; (e) claims for inaccurate wage statements via the PAGA; (f) failure to maintain payroll records via the PAGA; (g) failure to reimburse business expenses via the PAGA; (h) failure to pay sick pay; and (i) violations of miscellaneous Labor Code provisions via the PAGA. On September 29, 2025, Plaintiffs filed a first amended (FAC) to assert the same alleged Labor Code violations on both a class basis and PAGA basis and adds a claim for violation of Business and Professional Code §§ 17200 *et seq*. This complaint acts as the Operative Complaint.

The above lawsuit is referred to herein as the "Action." Plaintiff Anthony Colbourne, individually and in his capacity as Class Representative and quasi representative of the state of California and Aggrieved Employees under the PAGA, is referred to herein as "Plaintiffs."

Plaintiffs claim that Class Members have the right to recover monetary damages, penalties, and restitution based on the violations asserted in the Action. Plaintiffs also seek to recover civil penalties on behalf of aggrieved employees and the State of California based on these violations pursuant to the PAGA. ***Defendant and Released Parties strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.*** The Court has not made a ruling on the merits of the Actions.

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

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case, Plaintiff Colbourne), sue on behalf of people who appear to have similar claims (in this case, persons were employed by the Defendant in the State of California at any time from March 27, 2021 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%]. All these people are referred to here as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Superior Court of California for the County of San Diego ("Court") is in charge of adjudicating this Action.

3. Why is there a settlement?

Plaintiffs, Defendant, and their respective counsel have determined that it is in their mutual interest to settle this Action due to the uncertainties of trial, benefits of settlement, associated costs of continued litigation, likely appeals, and inconvenience and interference with personal matters and business operations. The Court has not decided in favor of the Plaintiffs or Defendant. After a thorough investigation into the facts of this lawsuit, both sides agreed to a settlement through a neutral, third-party mediator, which is memorialized in the Settlement.

On [DATE], the Court granted preliminary approval of the proposed Settlement and this Notice, appointed Plaintiff Colbourne as the Class Representative, and appointed Plaintiffs' attorneys, Thomas Rutledge, Esquire of The Law Office of Thomas D. Rutledge, and Ian Pancer, Esquire and Joe Virgilio, Esquire of the Pancer

Law Corporation as counsel for the Class ("Class Counsel"). The Court has not yet decided whether to grant final approval of the Settlement. The Class Representative and Class Counsel believe the Settlement is fair and reasonable in light of the strength and weaknesses of the Class's claims and other factors.

4. Why did I get this Notice?

Defendant's records indicate that you were employed by them in the State of California at any time during the Settlement Class Period from March 27, 2021, through [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%].

The Court preliminarily approved the Settlement on behalf of the Class. The Court has not entered judgment and has not determined that there is any merit to Plaintiffs' claims or that Defendant and/or Released Parties engaged in any wrongdoing alleged in this action. The Court must still decide whether to grant final approval of the Settlement. If the Court grants final approval of the Settlement, and after any objections and appeals are resolved, the administrator appointed by the Court will make the payments approved by the Court.

Because the Settlement will affect your legal rights, the Court ordered that this Notice be sent to you. This Notice will provide you with a brief description of the Action; inform you of the terms of the Settlement; and advise you of your legal rights. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing to determine whether to finally approve the Settlement.

WHO IS IN THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

You are part of the Settlement, and a Class Member, if you were Defendant's employee in California at any time from March 27, 2021, through [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%].

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the Settlement provide?

The Settlement provides that Defendant will pay a maximum of $1,200,000 ("Gross Settlement Fund") to resolve this case. The Gross Settlement Amount includes, without limitation, Individual Settlement Payments, Individual PAGA Payments, Class Representative Enhancement Payment, Class Counsel's attorneys' fees and expenses, the Settlement Administrator's expenses, and penalties to be paid to the LWDA.

The "Net Settlement Fund" is the portion of the Gross Settlement Fund that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Fund is the Gross Settlement Fund less the following amounts subject to Court approval:

A. **Attorneys' Fees to Class Counsel** not to exceed 33% of the Gross Settlement Fund;
B. **Class Counsel's Actual Incurred Reasonable Litigation Costs**;
C. **Enhancement Payment to the Class Representative** not to exceed an amount of $10,000 for his services as Class Representative;
D. **Settlement Administration Expenses** incurred in implementing the terms and conditions of the Settlement and securing a judgment not to exceed $8,000; and
E. **PAGA Payment** in the amount of $75,000 for the settlement of claims arising under the PAGA, sixty-five percent (65%) of which ($48,750.00) shall be paid to the LWDA and the remaining thirty-five percent (35%)($26,250.00) will be distributed to all Aggrieved Employees.

At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the above deductions from the Gross Settlement, the actual amounts of which will be decided by the Court at the Final Approval Hearing.

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

7. How will my share be calculated?

The amount you are eligible to receive from the Settlement, your "Individual Settlement Payment," will be determined on a *pro rata* basis, based on the number of workweeks you worked in California for the Defendant during the Class Period from March 27, 2021 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%]. Your Individual Settlement Payment includes both your estimated share of the Net Settlement Fund and, if eligible, your *pro rata* share of the PAGA Payment ("Individual PAGA Payment").

The Individual Settlement Payment will be apportioned as 25% wages and 75% as penalties and interest. PAGA Payments to Aggrieved Employees will be classified as 100% penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid by Defendant separately from and in addition to the Gross Settlement Fund. The penalties and interest portions of your Individual Settlement Payment will not be subject to any withholdings and will be reported on an IRS Form 1099. The PAGA Penalties will be allocated between the LWDA and the Aggrieved Employees as set forth above. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Settlement Payments on IRS 1099 Forms.

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

According to Defendant's payroll records, you worked XXX workweeks during the Class Period. Your estimated Individual Settlement Payment is $XXX.XX. The amount of the payment may change depending on the number of timely and valid Requests for Exclusions submitted in the Settlement, if any.

According to Defendant's payroll records, you worked XXX pay periods during the PAGA Period. Your Individual PAGA Payment is $XXX.XX.

This amount was determined based on Defendant's record of the total number of workweeks you performed from March 27, 2021 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%], and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of workweeks you performed during the Class Period or number of pay periods you performed during the PAGA Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by

[DATE]. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Court shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement, if the Parties cannot reach an agreement. The Settlement Administrator's contact information is listed below:

XXXXXX
XXXXXX
XXXXXX
XXXXXX

To challenge the number of workweeks and/or pay periods credited to you, you must submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. The Settlement Administrator's contact information is provided above.

You need to support your challenge by sending copies of payment or other records. The Settlement Administrator will accept Defendant's calculation of workweeks and/or pay periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve workweek and/or pay period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Settlement Class Members) and Defendant's Counsel. If there is a dispute, the Settlement Administrator will consult the Parties to determine if an adjustment is warranted. If the Parties are in agreement, the Settlement Administrator will inform the Class Members and the decision will be final. If the Parties cannot agree, the Court shall determine the eligibility for any adjustments.

Note, this is your *estimated* Settlement payment and may be adjusted based upon the Court's final order and/or adjustments to Class Members' workweeks from this process. If the Court awards a lesser amount for attorneys' fees and litigation costs, Class Representative Enhancement Payments, and/or Settlement Administration costs, that will increase the Net Settlement Amount, and the amounts payable to you.

You do not need to submit or do anything in order to receive your Settlement payments.

This Notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please contact the Administrator (see above) or class counsel (see below), or consult the Superior Court website by going to (https://odyroa.sdcourt.ca.gov) and entering the Case Number for the Action, 25CU016047C.

HOW TO GET A PAYMENT FROM THE SETTLEMENT

8. How can I get a payment?

Settlement Class Members. You do not have to do anything to qualify for a payment of your portion of the Settlement. The Settlement Administrator will send, by U.S. mail, check(s) to every Settlement Class Member (i.e., every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees.

Non-Participating Class Members. The Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible.

9. When can I get a payment?

The Court will hold the Final Approval Hearing on or about ___________, at TIME in Department C-75 of the Superior Court of California for the County of San Diego, Hall of Justice, located at 330 West Broadway, San Diego, CA 92101 to decide whether to approve the Settlement.

Assuming the Court grants Final Approval and there are no appeals, within thirty (30) days of the Effective Date, Defendant shall remit to the Settlement Administrator the payment of One Million and Two Hundred Thousand Dollars ($1,200,000). The Judgment entered by the Court becomes final. Upon receipt of the payment of the Gross Settlement Fund, the Settlement Administrator shall distribute the proceeds to each Settlement Class Member settlement checks per the terms of the Settlement Agreement.

The front of every check issued for Individual Settlement Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled and will be deposited with the California Controller's Unclaimed Property Fund. No portion of the Fund shall revert to the Defendant under any circumstances, including uncashed checks, disputes, opt-outs (if applicable), changed class size, or administrative adjustments. Failure to move quickly to claim your money from the Fund may result in the loss of your right to receive any money from this Settlement. If the payment represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money. The failure by a Class Member to claim or deposit any check issued by the Settlement Administrator shall have no effect on that Class Member's release of all Released Claims below.

If you lose or misplace your settlement check, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds. See website for details. https://www.sco.ca.gov/upd_form_claim.html.

10. What am I giving up if I do not request to be excluded from the Settlement?

If the Court grants final approval, you will be bound by the terms of the Settlement, including the Released Claims described below. That means that you will be unable to sue, or to continue to sue, or be part of any other lawsuit about the Released Claims. It also means that all of the Court's orders will apply to you and legally bind you. Upon Defendant's funding of the Gross Settlement Fund and separately paying the employer-side payroll taxes, in exchange for the consideration set forth by the Settlement, you shall be deemed to have fully, finally, and forever released Defendant and/or Released Parties from all claims, rights, demands, liabilities and causes of action that were sought in this Action ("Released Claims"). Class Members who do not submit a timely, valid Request for Exclusion will release the Released Parties from the Released Class Claims that arose during the "Settlement Class Period." This release is limited to periods of time that Class Members were members of the Class during the Class Period.

The "Released Class Claims" include all claims that were brought in the Litigation, including, but not limited to, any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Litigation, including without limitation to, claims for restitution and other equitable relief, claims for unpaid minimum wages, unpaid gratuities, unpaid vacation and PTO pay, unpaid overtime wages, split shift pay violations, reporting time pay violations, regular rate pay violations, failure to provide rest periods or meal periods or to provide compensation in lieu thereof, meal period penalties, rest period penalties, waiting time penalties, claims for incomplete payroll records and wage statements, failure to timely pay final wages, failure to reimburse for business expenses, failure to provide a day of rest, cooldown recovery period violations, violations of the Heart Illness Prevention Statute, unfair business practices, wage statement violations, wage order violations, failure to provide accurate wage statements, failure to maintain required records, claims for declaratory relief, accounting, or injunctive relief, civil penalties brought under the PAGA on behalf of the LWDA, claims for penalties of any nature whatsoever arising out of the Settlement Class Members' Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the Litigation, including any amendment to the pleadings therein.

The Released Class Claims is limited to claims that were pled or that reasonably arise from the factual allegations asserted in the Operative Complaint, including but not limited to the following claims:(i) any and all federal, state, local and common law claims for unpaid wages (including minimum, regular, prevailing, vacation) and overtime (including, but not limited to any claims based on alleged improper rounding or working "off-the-clock"), (ii) failure to pay wages timely, including any related waiting time penalties (iii) meal and rest period violations, (iv) wage statement violations, (v) failure to provide and maintain records, (vi) failure to reimburse expenses , (vii) sick pay violations, (viii) unfair business practices, including all related claims for any attorneys' fees, interest, penalties and costs, and (ix) , and civil penalties under PAGA, to the extent based on the same factual predicate including but not limited to all statutory damages and civil penalties sought on behalf of the LWDA under the PAGA (including, but expressly not limited to relief demanded for alleged violations of Labor Code subdivision (k) of §§ 96, 98.6, 200, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, 210, 212, 213, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225.5, 226, 226.2, 226.7, , 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, 231, 232, 232.5, 233, 234, 245-251, 256, 351-356, 403, 404, 432, 432.2, 432.3 432.5, 432.7, 435, 450, 510, 511, 512, 513, 516, 550, 551, 552, 553, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1024.5, 1025, 1026, 1101, 1102, 1102.5, 1153, 1174, 1776, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.3, 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, 1695, 1695.5, 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1777.5, 1811, 1815, 2441, 2651, 2673, 2673.1, 2698, 2695.2, 2699 et seq., , 2800, 2801, 2802, 2806, 2810, 2810.5, 2929, 3073.6, 3700, 3700.5, 6310, 6311, and 6399.7, 6409.6, 6432 as well as alleged violations of the corresponding IWC Wage Orders, California Business & Professions Code § 17200 *et seq.*, or any other source thereof, and all costs and attorneys' fees related thereto. The release does not extend to claims that are unrelated to wage-and-hour practices, including but not limited to claims for discrimination, harassment, retaliation, workers' compensation, unemployment insurance, disability benefits, or claims arising after the Preliminary Approval Date.

The "Settlement Class Period", for the Released Class Claims is from March 27, 2021 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%].

Additionally, all Class Members shall release the Released Claims via the PAGA that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under the PAGA.

The "Released PAGA Claims" include all claims for civil penalties under the California Labor Code via the PAGA that could have been premised on the facts alleged both in the PAGA Notice provided to the LWDA and in the Operative Complaint on file in the Action.

The "PAGA Period" to which the release of the Released PAGA Claims pertains is from January 8, 2023 to [date of the preliminary approval of the Settlement or the date when the increase in total workweeks exceeds 10%]

After the Court's judgment is final, and Defendant has paid the Gross Settlement and the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims released in the settlement against Defendant and/or Released Parties, regardless of whether they excluded themselves from the Settlement. This means that all Aggrieved Employees, including those who are Settlement Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant and/or Release Parties or its related entities based on the facts alleged in the Action and resolved by this Settlement. All Aggrieved Employees will be deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiffs' LWDA letter during the PAGA Period or were alleged in Plaintiff's operative First Amended Complaint.

11. What is the Defendant's position?

Defendant denies all of Plaintiffs' claims and the Settlement Class's Claims against Defendant and Released Parties and believe that they have no liability to the Class under the claims asserted in the Action. Nonetheless, this Settlement is entered into solely for the purpose of compromising disputed claims. Nothing in this Settlement is intended or will be construed as an admission of liability or wrongdoing by Defendant and Released Parties that any of Plaintiffs' claims have merit.

Defendant desires to enter into this Settlement to avoid the cost and expense of litigation. Defendant encourages all employees to participate in the Settlement.

12. How can I exclude myself from the Settlement?

Class Members may opt-out of the Settlement. To exclude yourself from the release of Released Class Claims you must submit a written Request for Exclusion form attached hereto as **Exhibit 1**. You must fill out the form and include your full name, mailing address, e-mail address or telephone number, and the last four (4) digits of your Social Security Number. Your Request for Exclusion must be signed.

The written Request for Exclusion must be e-mailed or mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

XXXXXX
XXXXXX
XXXXXX
XXXXXX

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Fund (*i.e.,* Individual Settlement Payment) and you cannot object to the Settlement. With the exception of Plaintiffs' PAGA claims, you will not be legally bound by the release of Released Class Claims. You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant and/or the Released Parties, regarding the Released Class Claims. However, if eligible, you will still receive a payment in an amount equal to your *pro rata* share of the PAGA Payment (*i.e.,* Individual PAGA Payment) because the Request for Exclusion does not apply to this claim.

No opt-out request may be made on behalf of a group of members of the Class. The date of the postmark on the return-mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. By submitting such an Opt-Out Request, a Class Member shall be deemed to have exercised his or her option to opt out of the class action lawsuit. Any Class Member who timely and validly opts-out will receive no settlement payment and will not be bound by the terms of the Settlement Agreement and will not have any right to object, appeal, or comment thereon. Members of the Class who fail to submit a valid and timely opt-out shall be bound by all terms of the Settlement and the Final Order and Final Judgment entered in this Action, regardless of whether they otherwise have opted out of the settlement.

Defendant encourages all employees to participate in the Settlement and to not exclude yourself ("opt-out"). Defendant has agreed to pay the full settlement amount even if employees do opt-out, so your settlement share will just be distributed to the other employees if you opt-out and no amount of your settlement will revert back to Defendant.

13. If I don't exclude myself, can I sue Defendant and/or Released Parties for the same thing later?

No. Unless you submit a Request for Exclusion, you give up the right to sue Defendant and/or Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

14. If I exclude myself, can I get money from this Settlement?

No, except if you were employed by the Defendant in California from April 19, 2023 to [July 30, 2025], in which case you will still receive your PAGA settlement proceeds for claims that arise under the PAGA. But if you submit a timely and valid Request for Exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against the Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

You do not need to hire your own attorney for this Settlement. The Court has approved Thomas Rutledge, Esquire of the Law Office of Thomas D. Rutledge as Class Counsel. The firm's contact information is:

Thomas D. Rutledge
Attorney-at-Law
16956 Via De Santa Fe, Suite 1847
Rancho Santa Fe, California 92091
Telephone: (619) 886-7224
thomasrutledgelaw@gmail.com

Ian Pancer, Esq.
Joe Virgilio, Esq.
Pancer Law Corporation
4603 Mission Blvd., Ste. 220
San Diego, California 92109
Telephone: (619) 955-6644
Facsimile: (619) 374-7410
ian@sandiegolegal.net
joe@sandiegolegal.net

However, you may hire your own attorney at your own expense if you choose to do so. If you hire an attorney, your attorney must file a Notice of Appearance with the above-entitled Court. You will be responsible for any attorneys' fees and costs charged by your own attorney.

Class Counsel will ask the Court for attorneys' fees of up to one-third of the Gross Settlement Fund and reimbursement of litigation cost/expenses. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court if I don't like the Settlement?

If you are a Class Member, you can object to the Class Settlement and you can give reasons for why you think the Court should not approve it. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least sixteen court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Enhancement Payment. Upon reasonable request, Class Counsel (whose contact information above) will send you copies of these documents at no cost to you. You can also access the documents at the Court website. See Register of Actions at https://odyroa.sdcourt.ca.gov/Cases.

You can ask the Court to deny approval by filing an objection. You may object to the request for attorneys' fees, litigation costs, Class Representative Enhancement Payments, and Settlement Administration Costs, in whole or part. You cannot ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object. The Court can award a lower amount for attorneys' fees, litigation costs, Class Representative Enhancement Payment, and Settlement Administration Costs, and still approve the settlement.

To object, you must e-mail or mail your written objection to the Settlement Administrator no later than [DATE]. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. Your written objection must include the case name and number, your full name, address, e-mail or telephone number, the last four (4) digits of your social security number or employee ID number, approximate dates of work performed for Defendant, and the state what you object to, why you object, and any facts that support your objection. All objections must be signed by the objecting Settlement Class Member or the Settlement Class Member's legally authorized representative and postmarked on or before [DATE].

Alternatively, you may also come to the Final Approval Hearing in person or through your attorney on [DATE] at [TIME] in Department C-75 of the Superior Court of California for the County of San Diego, Hall of Justice, located at 330 West Broadway, San Diego, CA 92101 and make an objection at that time, regardless of whether you submitted a written objection.

At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. The Court may reschedule the Final Approval Hearing at its discretion. As such, you may choose to verify the hearing date on the Court's website beforehand or via Class Counsel.

You do not have to attend the hearing, but you may do so at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you served your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

If you object to the Settlement, you will still remain a Settlement Class Member, and if the Court approves the Settlement, you will be bound by all the terms of the Settlement including the applicable released claims (outlined above in this notice) against the Releasees.

Do not file an objection if you only dispute the accuracy of your workweeks identified above. The procedure for disputing that information is set forth above.

If the Court approves the Settlement despite any objections, you will receive your payments and will be bound by the terms of the Settlement (including the released claims described above).

All objections will be scanned into the electronic case docket and the parties will receive electronic notices of filings. The notice should make clear that the court can only approve or deny the settlement and cannot change the terms of the settlement. The notice should clearly advise class members of the deadline for submission of any objections.

Do not submit both an objection and opt-out request. If you submit both, the request for exclusion will be controlling, and you will be excluded from the Settlement Class. If you object, you will remain in the Class and you will not be able to exclude yourself later regardless of how the Court rules on the objection.

17. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

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

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend. The Court will hold the Final Approval Hearing at [DATE/TIME], in Department C-75 of the Superior Court of California for the County of San Diego, Hall of Justice, located at 330 West Broadway, San Diego, CA 92101.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

19. Do I have to come to the hearing?

No. If you agree to the Settlement, you do not have to come to Court to talk about it. However, you may attend either virtually or in-person. You may also retain your own lawyer at your expense to attend on your behalf.

The Final Approval Hearing may be postponed without further notice to Settlement Class Members. Accordingly, if you plan to attend this hearing in person, you should check with Class Counsel first to confirm the date and time of the hearing.

Any changes to the date, time, or location of the Final Approval Hearing will also be posted on the Superior Court of California for the County of San Diego's website at https://odyroa.sdcourt.ca.gov.

20. How will I learn if the Settlement was approved?

A notice of final judgment will be posted on the Superior Court of California for the County of San Diego's website located at https://odyroa.sdcourt.ca.gov.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing and the Court grants final approval of the Settlement, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant and/or Released Parties based on the Released Class Claims, ever again. Your Individual Settlement Payment and Individual PAGA Payment, if applicable, will be mailed to you and will remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, your proceeds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there via https://www.sco.ca.gov/upd_msg.html.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Superior Court of California for the County of San Diego's website located at https://odyroa.sdcourt.ca.gov or by contacting the Settlement Administrator or Class Counsel. Settlement Administrator's contact information is set forth below:

Settlement Administrator
???????????????????
???????????????????
???????????????????
???????????????????

WHAT IF MY CONTACT INFORMATION CHANGES?

23. What if my contact information changes?

As a Settlement Class Member, it is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

24. Important Deadlines

The deadline to submit any of the following is __________:

- Challenge (along with documentation) the workweeks you worked as a Class Member or the number of pay periods you were an Aggrieved Employee;
- Opt Out of the Settlement; or
- Notice of Objection to Settlement.

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR THE OFFICE OF THE SUPERIOR COURT CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

<u>EXHIBIT 1</u>

Colbourne et al. v. Rayne Dealership Corporation, et al.
Superior Court of California For the San Diego County, Case No. 25CU016047C
REQUEST FOR EXCLUSION FROM SETTLEMENT

<u>Return this form ONLY if</u> you <u>do not</u> wish to participate in this Action and do not wish to receive the settlement payment described in the accompanying Notice of Class Action Settlement.

As a Class Member, I understand that I have the option to elect to request exclusion from—or "opt out" of—the Settlement Class, as described in the accompanying Notice. I understand that by electing to request exclusion from the foregoing case, I will not receive any portion of the Settlement that I would otherwise have been entitled to receive pursuant to the Settlement, other than funds attributed to the PAGA portion of the settlement. I also understand that by exercising this option, I will remain free to prosecute my own claims, if any, against Defendant and/or Released Parties other than PAGA claims within the PAGA Period subject to applicable statute of limitations and other applicable restrictions (in which case, if I desire representation by an attorney, I will need to hire or otherwise retain an attorney for that purpose at my own expense).

With full understanding of the foregoing, I wish to exclude myself from the Settlement.

Name (First, Middle, Last):
____
Former Names (if any):
____
Home Street Address:
____
City, State, Zip Code:
____
Telephone Number(s): Home: _____________Work: __________________
Email:________________________________
Last 4 digits of Social Security Number: XXX-XX- ___ ___ ___ ___ **[Required]**

Dated: ________________

____
Signature **[Required]**

RETURN THIS FORM VIA U.S. FIRST CLASS MAIL OR EMAIL TO:

Colbourne et al. v. Rayne Dealership Corporation, et al.
Class Action Settlement Administrator
XXXXX
XXXXX
XXXXX
XXXXX
XXXXX
XXXXX