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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

JUAN CARLOS GARCIA individually, and on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons, and SULAYMAN ABDUL AZIZ STORKS, individually, and on behalf of all others similarly situated,

Plaintiffs,

v.

CARROLL'S, LLC DBA NATIONAL TIRE WHOLESALE (NTW), a limited liability company; TBC CORPORATION, a corporation; TBC BRANDS, LLC, a limited liability company; TBC – TIRE AND BATTERY CORPORATION, a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 25CV464606

[Assigned for all purposes to the Hon. Elizabeth C. Peterson, Dept. 8]

DECLARATION OF KAREN L. WALLACE IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

[Filed concurrently with Plaintiffs' Notice of Motion and Motion for Preliminary Approval of Class Action and PAGA Settlement]

PRELIMINARY APPROVAL HEARING
Date: November 4, 2026
Time: 1:30 p.m.
Dept: 19

Complaint filed:	April 29, 2025
FAC filed:	January 14, 2026
SAC filed:	April 23, 2026
Trial date:	None set

DECLARATION OF KAREN L. WALLACE

I, Karen L. Wallace, declare as follows:

1. I am admitted and in good standing to practice as an attorney in the State of California. I am a Senior Attorney at Wilshire Law Firm, PLC ("WLF") and counsel of record for Plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks ("Plaintiffs"). I, along with the above-captioned attorneys of WLF (inclusively "Class Counsel"), have reviewed the case files for this matter as routinely kept by WLF in the course of litigation. Based on the available information, I am competent to make this declaration.

2. This declaration is submitted in support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion").

3. On April 29, 2025, Plaintiff Garcia filed a putative wage and hour class action complaint alleging against Defendants the following causes of action: 1) failure to pay minimum and straight time wages; 2) failure to pay overtime wages; 3) failure to provide meal periods; 4) failure to authorize and permit rest periods; 5) failure to timely pay wages upon separation of employment; 6) failure to provide accurate itemized wage statements; 7) failure to indemnify employees for expenditures; 8) unfair business practices under the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, et seq.; and 9) civil penalties under the Private Attorneys General Act ("PAGA"), Lab. Code § 2698, *et seq*.

4. On February 21, 2025, Plaintiff Garcia provided written notice to Defendants and the Labor & Workforce Development Agency ("LWDA") of the Labor Code provisions alleged to have been violated, including the facts and theories in support ("PAGA Notice"). A true and correct copy of the PAGA Notice is attached as **Exhibit 1**.

5. The LWDA did not notify Plaintiffs that it intended to investigate within the statutory waiting period. Consequently, on January 14, 2026, Plaintiffs filed a First Amended Complaint to add Sulayman Abdul Aziz Storks as a named plaintiff.

6. On April 23, 2026, Plaintiffs filed a Second Amended Complaint to add a cause of action for violation of the Quota Laws, Lab. Code § 2100, *et seq*. ("Operative Complaint").

7. On January 23, 2026, the Parties participated in a full-day mediation with

experienced class action mediator Katherine Edwards, Esq. ("Mediator"), which led to this Settlement and the Class Action and PAGA Settlement Agreement ("Agreement"). The negotiations were adversarial and at arm's length, as all Parties were prepared to continue litigating if the mediation were not successful. A true and correct copy of the Agreement is attached as **Exhibit 2**. A true and correct copy of the Notice of Class Action Settlement ("Class Notice") is attached thereto as **Exhibit A**.

8. On October 9, 2026, Plaintiffs submitted a copy of the Agreement to the LWDA. A true and correct copy of the email from the LWD confirming receipt is attached as **Exhibit 3**.

The Settlement

9. The Parties agreed to settle the claims alleged in the Action for a Gross Settlement Amount ("GSA") of $600,000.00, subject to section 8 of the Agreement. Agreement § 1.23.

10. Defendant will pay employer payroll taxes owed on the wage portions of the Individual Class Payments separately. Agreement § 3.1.

11. Subject to Court approval, the following payments will be deducted from the GSA: 1) a Service Award up to $10,00.00 to each Plaintiff ($20,000.00 total); 2) attorneys' fees up to $210,000.00 (35% of the GSA) and litigation costs up to $20,000.00; 3) Administration costs up to $7,000.00; 4) Individual Class Payments to Participating Class Members; and 5) PAGA Penalties in the amount of $60,000.00, allocated 65% ($39,000.00) to the LWDA and 35% ($21,000.00) to Aggrieved Employees. Agreement §§ 1.29, 3.2.

12. After all requested deductions are made, the remainder ("Net Settlement Amount") is an estimated $283,000.00, to be distributed to Participating Class Members as Individual Class Payments. Agreement §§ 1.25, 1.29.

13. Defendant estimates there are 373 Class Members.

14. Individual Class Payments will be calculated based on the number of Workweeks each Class Member worked during the Class Period. Agreement § 3.2.4.

15. For tax purposes, Individual Class Payments are allocated 15% to wages (the "Wage Portion") and 85% to interest and penalties. Agreement § 3.2.4.1.

16. Aggrieved Employees' 35% share of the PAGA Penalties shall be distributed on a

pro rata basis as Individual PAGA Payments based on the number of Pay Periods each PAGA Member worked during the PAGA Period. Agreement § 3.2.5.1.

17. Individual PAGA Payments are considered 100% penalties for tax purposes. Agreement § 3.2.5.2.

18. The Settlement is non-reversionary, and the Gross Settlement Amount will be fully paid out without any residue returning to Defendants. Agreement § 3.1.

19. Any deductions not approved by the Court, or approved for less than requested, will be retained by the Administrator in the Net Settlement Amount. Agreement § 3.2.1.

20. Funds represented by checks that remain uncashed and cancelled after the void date (180 days) will be transmitted by the Administrator to the California Controller's Unclaimed Property Fund in the Class Member's name. Agreement §§ 4.4.1, 4.4.3.

21. If more than 2% of Class Members opt out, Defendants may elect to rescind and void the Settlement. Defendants shall notify Class Counsel no later than fourteen (14) days after the Administrator sends the final Exclusion List to Defense Counsel, which is fifty (50) days after the Class Notice is mailed. Agreement §§ 1.44, 7.8.2, 8.

22. "Class" means all current and former hourly-paid or non-exempt persons employed by Defendants in California during the Class Period. (Agreement § 1.5.)

23. "Class Period" means the period from April 29, 2021, to December 5, 2025. Agreement § 1.13.

24. "Aggrieved Employee" means all current and former hourly or non-exempt employees employed by Defendants in California during the PAGA Period. Agreement § 1.4.

25. "PAGA Period" means the period from June 26, 2023, to December 5, 2025. Agreement § 1.33.

26. "Administrator" means ILYM Group, Inc. Agreement § 1.2.

27. "Released Parties" means Defendants and any of and each of their former and present directors, managers, officers, shareholders, direct and indirect equity owners, members, agents, insurers, predecessors, successors, assigns, subsidiaries, and affiliates. Agreement § 1.42.

28. "Effective Date" means the date by which the Judgment entered in the Final

Approval is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Agreement § 1.19.

29. "Response Deadline" means forty-five (45) days after the Administrator mails the Class Notice and is the last date on which Class Members may fax, email, or mail Requests for Exclusion, Objections, or Workweek challenges. Agreement § 1.44.

30. "Plaintiffs' Release" provides in pertinent part that Plaintiffs and Plaintiffs' respective former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, irrevocably, fully and forever, waive, release and discharge Released Parties from all claims arising at any time through the Effective Date of this Agreement that were, or reasonably could have been, alleged based on the facts contained in the Action and/or the Operative Complaint and the PAGA Notice. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believes to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs discovery of them. Plaintiffs also waive their rights under Civil Code § 1542. Agreement §§ 5.1, 5.1.1.

31. "Release by Participating Class Members" provides in pertinent part that all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action and the Operative Complaint that are alleged to have occurred during the Class Period. Except as set forth in Section 5.3 of the Agreement, Participating Class Members do not release any other claims. Agreement § 5.2.

32. "Release by Aggrieved Employees provides in pertinent part that all Aggrieved Employees are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Action, the Operative Complaint, and the PAGA Notice. Aggrieved Employees do not release any other claims or claims based on events occurring outside the PAGA Period. Agreement § 5.3.

33. The Class Notice sets forth in plain terms a statement of the Action, the terms of the Agreement, the approximate amount of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payments being sought, and an explanation of how the Settlement allocations are calculated. The Class Notice also describes the formula for calculating Individual Class and PAGA Payments, how to opt out of or object to the Settlement, how to dispute Workweek calculations, and the date, time, and location of the final approval hearing. Class Members are also advised that they do not need to submit a claim to participate in the Settlement and receive a payment. Agreement §§ 7.4-7.7.

34. The Administrator will mail the Class Notice by first class mail and will re-mail, within three (3) days of receipt, any Class Notice returned as undeliverable to the forwarding address provided by the U.S. Postal Service. If no forwarding address is provided, the Administrator will conduct an NCOA address search and re-mail the Class Notice to the most current address obtained. The 45-day deadline to opt out of the Settlement or to submit an objection or dispute will be extended by fourteen (14) days for all Class Members whose Class Notice was remailed. Agreement §§ 4.4.1, 7.4.2, 7.4.3, 7.7.2.

Investigation & Analysis

35. Before mediation, Class Counsel thoroughly investigated the claims and defenses at issue and all applicable law. WLF assessed the value of the claims alleged using the data and documents Defendant produced in informal discovery, including Plaintiff's personnel file, Class Members' time and payroll records, and Defendants written policies in effect during the Class Period. Plaintiffs' counsel engaged a consultant to quantify the potential exposure using the time

and payroll records and assessed the risks associated with each claim meriting reductions based on the likelihood of certifying a class and prevailing at trial.

36. Defendants represent that there are approximately 373 Class Members, making joinder of all Class Members impracticable. Furthermore, given the size and amount of each employee's claim, Class Members have little incentive to litigate their claims on an individual basis because the necessary out-of-pocket expenses and personal commitment likely exceed any potential recovery.

37. Plaintiffs have alleged that Defendants maintained uniform employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursement of business expenses, accurate wage statements, and timely payment of wages both during and on separation of employment. These allegations present common factual and legal questions regarding, *inter alia*, whether Defendants applied the same policies, including for scheduling, timekeeping, compensation, meal periods, rest periods, and reimbursement, to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendants' conduct was intentional, and whether Class Members are entitled to relief. These common questions could be resolved using Class Members' common proof, including time and payroll records and testimony from Defendant and Class Members.

38. While Plaintiffs are confident in the merits of their claims, a legitimate controversy exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages owed to each Class Member would be an expensive, time-consuming, and uncertain proposition.

39. This Settlement avoids the risks and the accompanying expenses of further litigation. Although the Parties had engaged in significant amount of investigation, informal discovery and Class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiffs intended to depose corporate officers and managers of Defendants. Moreover, preparation for a class certification and a trial remained for the Parties as well as the prospect of appeals in the wake of a disputed class certification ruling for Plaintiffs and/or adverse summary judgment ruling. Had the Court certified any claims, Defendants could move to decertify the claims. As a result, the Parties would incur considerably more attorneys' fees and costs through

trial.

40. Although the exposure Class Counsel calculated is substantial, the various risks of certifying a class and prevailing at trial affected the valuation of claims for settlement purposes. As discussed in detail below, Class Counsel evaluated the claims using the following data points: 355 Class Members; 35,978 Workweeks; $21.33 average hourly rate of pay; 251 Aggrieved Employees; and 7,801 Pay Periods.

41. Minimum and Overtime Wages: Plaintiffs alleged that Defendants required Class Members to perform work while off the clock and thus without compensation. For example, Plaintiffs alleged that they and other Class Members were required to respond to managers, co-workers, and customers about work while they were on breaks. Class Counsel estimated that Defendants are liable for one (1) hour of unpaid time per workweek at the overtime rate of pay. Defendants' maximum potential exposure for this claim is approximately $1,151,116.11 (35,978 workweeks x ($21.33 average hourly rate of pay x 1.5 overtime rate) x 1 hour). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendants' time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Class Counsel discounted this figure based on a 40% chance of certifying a class and a 40% chance of prevailing at trial on the merits. Defendants' estimated realistic exposure is thus $184,178.58 ($1,151,116.11 x .4 x .4).

42. Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendants failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiffs alleged that they and other Class Members were required to respond to managers, co-workers, and customers about work while on lunch due to the heavy workload. Plaintiffs' consultant found a 4.2% meal period violation rate (for shifts over 6 hours) in Class Members' time and payroll records, where meal periods were short, late, or missed, and Defendants' estimated maximum exposure for the meal period claim is $144,788.00 (161,619 shifts over 6 hours x .042 violation rate x $21.33 average hourly rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendants' contention that the claim lacks merit and that a 4.2% violation rate is unrealistic, Class Counsel

discounted this figure based on a 50% chance of certifying a class and a 40% chance of prevailing at trial. Defendants' estimated realistic exposure is thus $28,957.60 ($144,788 x .5 x .4).

43. Rest Periods: Plaintiffs alleged that Defendant failed to provide Class Members with all legally compliant rest periods to which they were entitled or pay rest period premiums in lieu thereof. For example, Plaintiffs alleged that they and other Class Members were required to respond to managers, co-workers, and customers about work while on break due to the heavy workload. Class Counsel assumed a 100% violation rate for all qualifying shifts during the Class Period, and Defendants' maximum potential exposure for the rest period claim is approximately $3,730,169.07 (174,879 shifts of 3.5 hours or longer x $21.33 average hourly rate x 1 violation rate). However, Class Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, Class Members may elect to forego a rest period. Because it would also have relied exclusively on Class Member testimony, Class Counsel discounted this claim based on a 30% chance of certifying a class and a 20% chance of prevailing at trial. Defendants' estimated realistic exposure is thus $223,810.14 ($3,730,169.07 x .3 x .2).

44. Reimbursements: Plaintiffs alleged that Defendants failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties, such as mandatory use of personal cell phones for work and having to purchase specific work boots. Assuming $12.50 in expenses per Class Member per Workweek, Class Counsel estimated that Defendants' maximum exposure for this claim is $449,725 ($12.50 x 35,978 workweeks). Considering Defendants' contentions that these expenses were not required and that Defendants could not have known that these expenses were being incurred, Class Counsel discounted this claim based on a 30% chance of certifying a class certification and a 30% chance of prevailing at trial. Defendants' estimated realistic exposure for this claim is thus $40,475.25 ($449,725 x .3 x .3).

45. In sum, Plaintiffs estimated that Defendants' maximum exposure for the off-the-clock claim and meal and rest period violations (i.e., the "Wage claims") is approximately $5,026,073.18. However, taking into account the risk and uncertainty of class certification and prevailing at trial, Plaintiffs estimate that Defendants' realistic exposure for the Wage Claims is

$436,946.32.

46. Derivative Penalties: Plaintiffs alleged that, as a result of Defendants' failure to pay all wages owed, Defendants owed waiting time and wage statement penalties. Approximately 164 Class Members were terminated during the 3-year limitations period. Using the statutory default of $4,000.00 per employee, Plaintiffs estimated that Defendants' maximum exposure for waiting time penalties is $656,000.00 (164 employees x $4,000). Based on approximately 251 Class Members who worked approximately 6,100 pay periods during the 1-year limitations period, Plaintiffs estimated that Defendants' maximum potential exposure for inaccurate wage statements is $597,450.00 ($12,550 [251 employees x 1 violation/employee x $50 for an initial violation] + $584,900 [(6,100 pay periods - 251 initial violations) x $100 for subsequent violation]). Given Defendants' defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness, and the discretionary nature of penalties, Plaintiffs believe that it would be unrealistic to expect the Court to award the full $1,253,450.00 in statutory penalties. Furthermore, considering that Defendants' estimated realistic exposure for the underlying Wage Claims is $436,946.32, such a disproportionate award would also raise due process concerns. Accordingly, Plaintiffs discounted these figures to account for the 30% chance of class certification and 20% chance of prevailing at trial, such that Defendants' realistic exposure for statutory penalties is approximately $75,207.00, with $39,360 ($656,000 x .3 x .2) for waiting time penalties and $35,847 for wage statement penalties ($597,450 x .3 x .2).

47. PAGA: Assuming the statutory default penalty of $100 for initial violations would apply, Plaintiffs estimated Defendants' maximum exposure at $780,100.00 (7,801 x 100). However, even assuming Plaintiffs prevailed on the merits of each alleged violation, the Court has discretion to reduce penalties, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. Plaintiffs discounted this figure to account for the 10% chance of prevailing at trial, and Defendants' estimated realistic exposure for PAGA penalties is $78,010.00 ($780,100 x .1).

48. Using these estimated figures, Plaintiffs estimated that Defendants' realistic exposure for all claims, including the Wage Claims and penalties, would be approximately

$630,638.57. The Gross Settlement Amount thus represents approximately 95% of Defendants' realistic exposure ($600,000.00 / $630,638.57), and the PAGA allocation represents 10% of the Gross Settlement Amount ($60,000 / $600,000). Considering the risk and uncertainty of certifying a class and prevailing at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and avoid the risk of an unfavorable judgment.

49. Pursuant to the Agreement, based on 373 Class Members and 36,871 Workweeks, the Net Settlement Amount available for individual Settlement Awards is currently estimated to be $283,000.00. With an estimated Workweek value of $7.68 ($283,000 / 36,871), the average net Individual Class Payment to each participating Class Member is $759.17 ($7.68 x (36,871 / 373)).

Class Representative Service Payments

50. Plaintiffs assisted Class Counsel throughout this case, providing information necessary to prosecute the claims, communicating with attorneys regarding the claims and defenses at issue, staying in regular contact, making themselves available the day of mediation to answer questions, and reviewing the Agreement, among other documents, to ensure the Settlement was fair and reasonable for the Class.

51. At the same time, Plaintiffs faced actual financial and reputational risks by being named in an employment lawsuit as a matter of public record, which exposed them to potentially adverse reactions from potential employers. Moreover, the Settlement provides for a general release of all claims against Defendants by Plaintiffs, including claims unknown at the time of execution, which is broader than the release binding on other Class Members.

52. Notably, no action would likely have been taken by individual Class Members, and no compensation recovered, but for Plaintiffs' efforts and service on their behalf. The Class Representative Service Payments are relatively small given benefits provided to the Class and in comparison to service awards granted to named plaintiffs in similar class actions. The Class Representative Service Payments are therefore reasonable to compensate Plaintiffs for their active participation in the Action, which furthered the California public policy goal of enforcing the State's wage-and-hour laws.

The Requests for Attorneys' Fees and Costs are Reasonable

53. The percentage of the common fund requested for the Class Counsel Fees Payment is less than that charged by WLF for most employment cases, which invested significant time and resources in the Action, with payment deferred to the end, and then, of course, contingent on the outcome. The Class Counsel Litigation Expenses Payment is also reasonable, as all litigation costs incurred were necessary to support the Action.

54. Class Counsel estimate that WLF will need to expend approximately 10 to 15 additional hours leading up to final approval and to monitor payments made to the Class. Class Counsel also bear the risk of having to respond if Defendants fails to pay.

55. The risk to Class Counsel has been significant, particularly if Plaintiffs did not prevail in the Action. In that case, WLF would have been left with no compensation for the resources expended in litigation. Indeed, Class Counsel have taken on a number of class action cases that have resulted in thousands of attorney hours being spent and ultimately having certification denied or the defendant's company going bankrupt. The contingent risks in these types of cases are very real and do occur regularly. Furthermore, Class Counsel was precluded from focusing on, or accepting, other cases that could have resulted in greater, and less risky, monetary gain.

56. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, WLF represents virtually all of its employment law clients on a contingency fee basis. Pursuant to this arrangement, WLF is not compensated for our time unless we prevail at trial or successfully settle our clients' cases. Because Class Counsel is taking the risk that we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we are to receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate when we win or settle to remain in practice and continue representing other individuals in civil rights employment disputes.

Class Counsel's Experience and Qualifications

57. Plaintiffs are represented by WLF. The attorneys at WLF performed significant work

and expended litigation costs in prosecuting this matter with no guarantee of payment.

58. WLF was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

59. WLF is qualified to handle this Action because its attorneys are experienced in litigating Labor Code violations in both individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation.

Nicol Hajjar

60. Nicol Hajjar is a Partner at WLF. Her practice is focused on advocating for the rights of employees in class action litigation and individual state and federal litigation. Ms. Hajjar graduated from Western State College of Law and was admitted to practice in California in 2015. She is currently the primary attorney in charge of litigating several class actions. She was selected to serve on CAOC's Board of Directors in 2020, 2021, 2022, 2023 and 2024 and she is an active member of CAALA, CELA. She sits on CELA's women's committee as the co-chair and wage and hour committee and was selected to speak at CELA's 2020 Advanced Wage & Hour Seminar. She has litigated employment cases extensively for the past eight years, including a successful wage and hour trial wherein the jury awarded the plaintiff wage and hour damages and the plaintiff was awarded PAGA penalties. She has received numerous awards for her legal work, and the National Trial Attorneys selected her as a "Top 10 Wage and Hour Trial Lawyer," and a "Top 40 Under 40" attorney. Super Lawyers selected her as one of their "Rising Stars" every year since 2018.

61. Her current contingent billing rate of $850 per hour is consistent with her practice area, lead appellate experience in the Ninth Circuit Court of Appeals, numerous awards received, legal market and accepted hourly rates. The reasonableness of her hourly rates is also supported by several surveys of legal rates, including the following:

(a) The 2022 Real Rate Report survey compiled by Wolters Kluwer, which presents the real market rates of Los Angeles area attorneys who practice litigation. For that category, the third quartile 2022 rate was $1,045 per hour for partners and $855 for associates. Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with "21 or more years of experience" and "Fewer than 21 years." For those categories, the third quartile Los Angeles partner rate in 2022 were $1,133 per hour for 21 or more years and $1,075 for attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate Report is attached hereto as **Exhibit 4**.

(b) In an article entitled "Big Law Rates Topping $2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author describes how Big Law firms have crossed the $2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 5**.

Rachel Vinson

62. Rachel Vinson is a Senior Attorney at Wilshire Law Firm, PLC. Ms. Vinson earned her Bachelor of Arts from the Claremont McKenna College, followed by a Juris Doctor from Washington University School of Law. She is admitted to practice in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. She has over 5 years of litigation experience, which includes the successful handling of numerous employment, wage and hour, and class and representative actions in state and federal courts, from inception through case resolution. Ms. Vinson is a member of CAALA, CELA and NAWL.

Alan Wilcox

63. Alan Wilcox was a Senior Attorney at WLF during the pendency of the Action. He obtained his Bachelor's degree from the University of California, Berkeley in 2007. He graduated from Pepperdine University's School of Law and became a member of the California State Bar in

2012. Mr. Wilcox was employed as a civil litigation attorney throughout his career and represented clients in both state and federal Courts in a wide variety of matters, including contract disputes, wrongful foreclosure, unlawful detainer, divorce, product defect, tort, and employment.

64. Since 2014 and during his tenure at WLF, Mr. Wilcox practiced complex civil litigation exclusively, representing plaintiff employees in employment matters and handling both individual wrongful discharge and wage and hour class action and PAGA matters, including *Flores v. Aqua Terra Culinary, Inc.*, Monterey Superior Court Case No. 17CV002672, *Garcia v. Construction Innovations Group, LLC*, Sacramento Superior Court Case No. 34-2020-00285239, *Kim v. Sheraton Operating Corp.*, Central District of California Case No. 2:17-cv-09247-FMO-E, *Pease v. Wattrans, Inc.*, San Bernardino Superior Court Case No. CIVDS1919832, and *Lachman v. Berlitz Languages, Inc.*, Los Angeles Superior Court Case No. 19STCV01533, among others.

Conor J.D. Gomez

65. Conor J.D. Gomez was a Settlement Attorney at WLF during the pendency of the Action. Mr. Gomez was responsible for finalizing resolved class action and PAGA matters to ensure that they were carried through the approval and distribution process efficiently and in compliance with court orders. He graduated from the University of California, San Diego in 2017 with a Bachelor of Arts in Sociology, concentrating in Law & Society. He graduated from the UCLA School of Law in May 2020 was admitted to practice in California in May 2021. Mr. Gomez also served as an adjunct professor at the Thomas Jefferson School of Law in San Diego, California, and he acted as a Bar Exam Preparation mentor to law students throughout San Diego. During law school, Mr. Gomez obtained credentials in course design, teaching innovation and technology, and business administration from the University of California, Irvine. He was awarded the Masin Family Foundation Gold Award in recognition of his academic performance in law school. Mr. Gomez began his legal career representing both for-profit and non-profit/tax-exempt organizations. He practiced plaintiff-side employment litigation for several years and had a strong record of securing settlements in individual wage-and-hour and FEHA matters, with results regularly reaching the six-figure range. Throughout his career, Mr. Gomez worked with multiple firms, taking on increasing responsibility and mentoring dozens of new attorneys in employment

law fundamentals and litigation strategies to achieve efficient and favorable outcomes. Mr. Gomez has guest lectured at the University of California, Irvine on various legal topics. He is also a certified mediator and serves on the California Lawyers for the Arts mediation panel, where he volunteers his time to mediate a wide range of disputes, including artistic business and ownership matters as well as employment disputes. Mr. Gomez has been appointed as class counsel in wage-and-hour matters throughout California, including most recently in *Canady v. Sheffield Platers, Inc*., 37-2024-00014952-CU-OE-CTL; Motion for Preliminary Approval Granted March 4, 2026; *Molina v. CCN Framing, Inc*., 22STCV10819; Motion for Preliminary Approval Granted on March 4, 2026; and *Lucero v. Nissho of California, Inc*., Case No. 37-2021-00001528-CU-OE-CTL, consolidated with Case No. 37-2022-00012006-CU-OE-CTL; Motion for Final Approval granted on February 20, 2026..

66. I am a Senior Settlement Attorney at WLF. I earned a Ph.D. in English at the UCLA and taught literature and writing for many years. I returned to school in 2007 and earned a J.D. with a public service distinction from Southwestern Law School in 2010, when I was admitted to the California State Bar. My practice has focused on complex wage and hour and consumer cases on behalf of plaintiffs, and I have litigated class and representative actions in both state and federal courts throughout California.

No Conflicts

67. Plaintiffs do not have any interest, financial or otherwise, in the Administrator or the recipient of any residual Settlement funds.

68. No one at WLF (meaning the law firm itself and anyone employed at the law firm) has any interest, financial or otherwise, in the Administrator or the recipient of any residual Settlement funds.

69. WLF has no fee-splitting agreement with any other plaintiff's counsel in this case.

70. WLF is not aware of any pending matter or action against Defendants that may be extinguished or adversely affected by this Settlement.

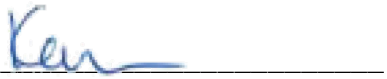
Settlement Administration

71. The Parties requested several bids from experienced class action settlement

administrators for this Settlement and accepted the lowest bid from ILYM Group, Inc. ("ILYM"). ILYM has years of experience in class action administration and made a bid not to exceed $7,000.00. A true and correct copy of ILYM's bid is attached as **Exhibit 6**.

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

Executed on October 9, 2026, in Santa Monica, California.



Karen L. Wallace

EXHIBIT 1

WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
wilshirelawfirm.com

Sean Paisan, Esq.
John Yslas, Esq.
Molly Desario, Esq.
Stephanie Mazepa, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.
Benjamin Haber, Esq.

February 21, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(*Via Online Submission*)

TBC Corporation,
TBC Brands, LLC
4300 TBC Way
Palm Beach Gardens, FL 33410
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9714 98

CSC – Lawyers Incorporating Service
Agent For Service of Process for:
TBC Brands, LLC
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9715 35

Carroll's, LLC dba National Tire Wholesale (NTW),
TBC – Tire and Battery Corporation
4260 Design Center Drive
Palm Beach Gardens, FL 33410
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9715 04

John Egley, Esq.
Call & Jenson
Attorney for Carroll's LLC dba National Tire Wholesale (NTW)
610 Newport Center Drive, Suite 700
Newport Beach, CA 92660
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9715 66

CSC – Lawyers Incorporating Service
Agent For Service of Process for:
Carroll's, LLC dba National Tire Wholesale (NTW)
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9715 11

CSC – Lawyers Incorporating Service
Agent For Service of Process for:
TBC – Tire and Battery Corporation
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833
(*Via Certified Mail, Return Receipt Requested*)
#9489 0090 0027 6637 9715 59

Re: *Juan Carlos Garcia. v. Carroll's, LLC dba National Tire Wholesale (NTW), et al.*

Notice of California Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Juan Carlos Garcia ("Plaintiff") to pursue a California Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code, §§ 2699, *et seq.*) against his former employers, TBC Corporation, Carroll's, LLC dba National Tire Wholesale (NTW), TBC Brands, and TBC – Tire and Battery Corporation (collectively referred to as "Defendants"). The purpose of this letter is to comply with PAGA and

set forth the facts and theories of California Labor Code violations which Defendants are alleged to have engaged in with respect to Plaintiff and all other persons who worked for Defendants in California as a non-exempt or hourly-paid employees at any time within the applicable statutory period (the "Aggrieved Employees").

Plaintiff wishes to pursue this action as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other Aggrieved Employees.

Plaintiff and the Aggrieved Employees suffered the California Labor Code violations described below.

Plaintiff's Employment with Defendants

Defendants own or owned and operate or operated an industry, business, and establishment within the State of California. As such, and based upon all the facts and circumstances incident to Defendants' business in California, Defendants are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business and Professions Code.

Plaintiff Juan Carlos Garcia is a resident of California who worked for Defendants in Santa Clara County, California as an hourly-paid, non-exempt employee from approximately October 1, 2018, to approximately December 31, 2024. Defendants typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than 40 hours in a workweek.

Throughout Plaintiff's employment, Defendants: (1) failed to pay for all hours worked (including minimum, straight time, and overtime wages); (2) failed to provide Plaintiff with legally compliant meal periods (and pay corresponding meal period premium wages at the correct rate of pay); (3) failed to authorize and permit Plaintiff to take rest periods; (4) failed to pay all earned wages two times per month; (5) failed to maintain accurate records of hours worked and meal periods taken or missed; (6) failed to provide accurate itemized wage statements; (7) failed to timely pay all final wages to Plaintiff at terminated; and (8) failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Defendants Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, California Labor Code section 510 provides that employees in California shall not be employed more than eight hours in any workday or 40 hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

California Labor Code sections 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code section 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendants required Plaintiff and the Aggrieved Employees to work "off-the-clock," uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work prior to clocking in for the workday, during unpaid meal periods, and after clocking out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendants also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of the sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendants regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendants continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Defendants also never informed Plaintiff of the right to, nor permitted Plaintiff to take, a second meal period when Plaintiff worked at least 10 hours in a workday. Accordingly, Defendants' policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal periods. Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 210 and 2699, subdivision (f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendants have wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendants continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendants' policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday they were not authorized and permitted to take all required rest period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated California Labor Code section 204.

Section 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendants systematically failed and refused to pay the employees all wages

due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendants, all wages for all rest periods not authorized and permitted by Defendants, and all wages for all hours worked. As a result, Defendants owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code section 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under California Labor Code section 1174, subdivision (d). Pursuant to California Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code section 1174 is subject to a penalty under section 1174.5. Pursuant to the applicable IWC Order section 7, subdivision (A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendants, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendants' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendants' knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendants failed, and continue to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by California Labor Code sections 201 and 202 either at the time of discharge, or within 72 hours of their leaving Defendants' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendants' conduct violates California Labor Code sections 201 and 202. California Labor Code section 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than 30 days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendants their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to California Labor Code section 203.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code section 2699, subdivision (f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

California Labor Code section 226, subdivision (a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her Social Security number or an employee identification number other than a Social Security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Cal. Lab. Code, § 226, subd. (e)(1).)

In addition, California Labor Code § 246(i) required employers to provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either employee's itemized wage statement described in § 226 or in a separate writing provided on the designated pay date with employee's payment of wages. If an employer provides unlimited paid sick leave or unlimited paid time off to an employee, the employer may satisfy this section by indicating on the notice or employee's itemized wage statement "unlimited."

Throughout the statutory period, Defendants failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendants violated California Labor Code sections 226, subdivision (a), and 246, subdivision (j), Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with California Labor Code section 226, subdivision (a), and 246, subdivision (j), or an aggregate penalty not exceeding $4,000 per employee.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in California Labor Code section 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

California Labor Code section 2802, subdivision (a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendants wrongfully required Plaintiff and/or the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendants. Plaintiff and/or the Aggrieved Employees paid out-of-pocket for necessary employment-related expenses (which is defined as including, without limitation, work attire, work equipment, personal protective equipment, use of personal cell phones, and/or use of personal vehicles). Plaintiff and/or the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendants, but Defendants failed to indemnify Plaintiff and/or the Aggrieved Employees for these employment-related expenses.

As a result, Defendants are liable to Plaintiff and/or the Aggrieved Employees for the civil penalties provided for in California Labor Code sections 2802 and 2699, subdivisions (f)(2) for failing to indemnify Plaintiff and/or the Aggrieved Employees for necessary business expenditures.

///

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendants violated the following provisions of the California Labor Code with respect to the Aggrieved Employees:

1. California Labor Code sections 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;

2. California Labor Code section 226.7 and applicable Wage Orders by failing to provide meal periods;

3. California Labor Code section 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;

4. California Labor Code section 204 by failing to pay all earned wages two times per month;

5. California Labor Code section 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;

6. California Labor Code section 226 and 246 by failing to provide accurate itemized wage statements;

7. California Labor Code sections 201 to 203 by willfully failing to pay all wages owed at termination; and

8. California Labor Code section 2802 by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to PAGA. These include, but are not limited to, penalties under California Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699, subdivision (f)(2).

Plaintiff has placed Defendants on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM



Rachel J. Vinson, Esq.

EXHIBIT 2

Docusign Envelope ID: 539DF09B-EF53-8C18-8020-3201FEA4F752

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Facsimile: (213) 381-9989

Attorneys for Plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks, individually and on behalf of others similarly situated

[ADDITIONAL COUNSEL ON FOLLOWING PAGE]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

JUAN CARLOS GARCIA and SULAYMAN ABDUL AZIZ STORKS, individually, and on behalf of all others similarly situated,

Plaintiffs,

v.

CARROLL'S, LLC DBA NATIONAL TIRE WHOLESALE (NTW), a limited liability company; TBC CORPORATION, a corporation; TBC BRANDS, LLC, a limited liability company; TBC – TIRE AND BATTERY CORPORATION, a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. 25CV464606

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

[Assigned for all purposes to Hon. Theodore C. Zayner, Dept. 19]

Docusign Envelope ID: 539DF09B-EF53-8C18-8020-3201FEA4F752

John Egley (SBN 232545)
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Attorneys for Defendants

Docusign Envelope ID: 539DF09B-EF53-8C18-8020-3201FEA4F752

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks ("Plaintiffs"), on the one hand, and Defendants Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation (collectively "Defendants"), on the other hand. The Agreement refers to Plaintiffs and Defendants collectively as "Parties," or individually as "Party."

1. **DEFINITIONS.**

1.1 "Action" means the civil proceeding entitled Juan Carlos Garcia *v.* Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation, Santa Clara County Superior Court, Case No. 25CV464606, originally filed on April 29, 2025, in which Plaintiffs alleged various wage-and-hour violations on behalf of themselves and other similarly situated employees, as well as a Private Attorneys General Act of 2004 "PAGA" claim, and as subsequently amended including the Second Amended Complaint. Plaintiff Garcia submitted a notice to the California Labor and Workforce Development Agency ("LWDA") on February 21, 2025 (LWDA No. CM-1081554-25), pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698 et seq., identifying the same underlying violations and seeking to pursue civil penalties on behalf of the State of California and other aggrieved employees.

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

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

1.4 "Aggrieved Employee" means all current and former hourly or non-exempt employees employed by Defendants in the State of California during the PAGA Period.

1.5 "Class" means all current and former hourly-paid or non-exempt persons employed by Defendants in the State of California during the Class Period.

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1.6 "Class Counsel" means Nicol E. Hajjar and Rachel J. Vinson of Wilshire Law Firm, PLC.

1.7 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action, as approved by the Court. The Parties have agreed to attorneys' fees as requested pursuant to motion by Plaintiffs' Counsel in an amount not to exceed 35% of the Gross Settlement Amount (currently $210,000).

1.8 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of verified litigation costs and expenses incurred to prosecute the Action, not to exceed $20,000.00, and paid from the Gross Settlement Amount.

1.9 "Class Data" means Class Member identifying information in Defendants' possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.10 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 "Class Notice" means the Court approved Notice of Class Action and PAGA Settlement and hearing date for Final Approval, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 "Class Period" means the period from April 29, 2021 to December 5, 2025.

1.14 "Class Representative" means the named Plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks in the Action.

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1.15 "Class Representative Service Payments" or "Enhancement Award" means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

1.16 "Court" means the Superior Court of California, County of Santa Clara.

1.17 "Defendants" means named Defendants Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation.

1.18 "Defense Counsel" means John Egley and Chris Scheithauer of CALL & JENSEN, APC, 610 Newport Center Drive, Suite 700, Newport Beach, CA 92660.

1.19 "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.22 "Final Judgment" means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 "Gross Settlement Amount" or "GSA" means Six Hundred Thousand Dollars ($600,000.00), which is the total amount Defendants agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendants, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class

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Payments allocated to wages which shall not be paid from the Gross Settlement Amount and shall be the separate additional obligation of Defendants, except as provided in Paragraph 8 below.

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

1.25 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

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

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

1.28 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.29 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.

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

1.31 "Operative Complaint" means the operative Second Amended Class and Representative Action Complaint filed on or about April 23, 2026 in the Action.

1.32 "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.33 "PAGA Period" means the period from February 21, 2024 to December 5, 2025.

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

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1.35 "PAGA Notice" means Plaintiff Garcia's February 21, 2025 letter (LWDA-CM-1081554-25) to the LWDA and Defendants providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($60,000), allocated 35% to the Aggrieved Employees ($21,000.00) and 65% to LWDA ($39,000.00) in settlement of PAGA claims.

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

1.38 "Plaintiffs" mean Juan Carlos Garcia and Sulayman Abdul Aziz Storks, the named plaintiffs in the Action.

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

1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.41 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.42 "Released Parties" means Defendants Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation, and any of and each of their former and present directors, managers, officers, shareholders, direct and indirect equity owners, members, agents, insurers, predecessors, successors, assigns, subsidiaries and affiliates.

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

1.44 "Response Deadline" means forty-five (45) days after the Administrator mails Class Notice and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion, (b) fax, email or mail objections to the Settlement, or (c) fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the

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Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

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

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

2. **RECITALS.**

2.1 On April 29, 2025, Plaintiff Garcia commenced the Action by filing a complaint against Defendants. On February 21, 2025, Plaintiff gave notice to the LWDA and Defendants that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM- 1081554-25.) On January 14, 2026, Plaintiff Garcia filed a First Amended Complaint, to add Plaintiff Sulayman Abdul Aziz Storks. On April 23, 2026, Plaintiffs filed a Second Amended Complaint in the Action (the Operative Complaint). Generally speaking Plaintiffs allege in the Action that Defendants are liable for (a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide required meal periods; (d) failure to authorize and permit rest periods; (e) failure to timely pay wages; (f) failure to timely pay final wages at termination; (g) failure to provide accurate itemized wage statements; (h) failure to indemnify employees for expenditures; (i) unfair business practices; and (j) violation of quota laws; and (k) must pay Civil Penalties Under PAGA.

2.2 The Parties agreed to participate in mediation encompassing both the Class and PAGA claims. On January 23, 2026, the Parties participated in an all-day mediation presided over by mediator Katherine Edwards.

2.3 The Parties accepted the mediator's proposal the same day to resolve all claims, including Plaintiffs' individual claims as well as those for the putative class and those arising under PAGA.

2.4 Defendants deny the allegations in the Action and PAGA Notice, deny any failure to comply with the laws identified in the Action and PAGA Notice, and deny any and all liability for the causes of action alleged in the Action and PAGA Notice.

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2.5 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Action. Prior to mediation, Plaintiffs obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.6 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

2.7 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement other than *Victor Blanco et al. v. TBC – Tire and Battery Corporation, TBC Brands, LLC, Carroll's LLC, TBC Corporation, et al, Santa Clara Superior Court Case No. 25CV479970* (the "Blanco Matter"), which is also pending in Dept. 19 before the Honorable Theodore C. Zayner. This Agreement anticipates the Blanco Matter being extinguished and released pursuant to this Agreement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendants collectively promise to pay a total of Six Hundred Thousand Dollars and No Cents (**$600,000.00**) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.3. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

3.2.1 To Plaintiffs: Class Representative Service Payments of not more than $10,000 each to plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiffs' request for Class Representative Service Payments that does not exceed this amount. As part of the Motion for Final Approval, Plaintiffs will seek Court approval for any Class Representative Service Payments. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be $210,000.00 and a Class Counsel Litigation Expenses Payment of not more than $20,000.00. Defendants will not oppose requests for these payments provided they do not exceed these amounts. As part of the Motion for Final Approval, Plaintiffs and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and

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liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed $7,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4 To Each Participating Class Member: An Individual Class Payment, which the Administrator shall calculate by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Fifteen percent (15%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $60,000.00 to be paid from the Gross Settlement Amount, with 65% ($39,000.00) allocated to the LWDA PAGA Payment and 35% ($21,000.00) allocated to the Individual PAGA Payments.

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3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($21,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class and PAGA Size. Based on a review of its records, Defendants represent there are 373 Class Members who collectively worked a total of 36,871 workweeks during the Class Period, and 267 Aggrieved Employees who worked a total of 7,801 PAGA Pay Periods.

4.2 Class Data. Not later than twenty (20) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

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4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendants funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. If a Participating Class Member's or Aggrieved Employee's check is not cashed within 120 days after its last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check it was lost or misplaced but not cashed.

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4.4.2 The Administrator must conduct an Address Search for all Class Members and Aggrieved Employees whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Class Members or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member or Aggrieved Employee whose original check was lost or misplaced, as requested by the Class Member or Aggrieved Employee before the void date.

4.4.3 For any Class Member whose Individual Class Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such a check to the California Controller's Unclaimed Property Fund in the name of the Class Member.

4.4.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

4.4.5 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendants fully fund the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and Plaintiffs' respective former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, irrevocably, fully and forever, waive, release and discharge Released Parties from all

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claims, transactions or occurrences, from the beginning of time to the Effective Date of this Agreement, known and unknown, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts contained in the Action and/or the Operative Complaint and Plaintiffs' PAGA Notices ("Plaintiffs' Release."). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believes to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action and the Operative Complaint that are alleged to have occurred during the Class Period including, claims involving any alleged (a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide required meal periods; (d) failure to authorize and permit rest periods; (e) failure to timely pay wages; (f) failure to timely pay final wages at termination; (g) failure to provide accurate itemized wage statements; (h) failure to indemnify employees for expenditures; (i) unfair business practices; and (j) violation of quota

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laws. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims.

5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Action, the Operative Complaint, and the PAGA Notice that are alleged to have occurred during the PAGA Period including any PAGA claims relating to any alleged ((a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide required meal periods; (d) failure to authorize and permit rest periods; (e) failure to timely pay wages; (f) failure to timely pay final wages at termination; (g) failure to provide accurate itemized wage statements; (h) failure to indemnify employees for expenditures; (i) unfair business practices; and (j) violation of quota laws. The Aggrieved Employees do not release any other claims or claims based on events occurring outside the PAGA Period.

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

6.1 Defendants' Declaration in Support of Preliminary Approval. Within 30 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their declarations, Defense Counsel and Defendants shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. In this declaration, Defendants shall also aver as to the number of Class Members and the number of Workweeks for the Class during the Class Period.

6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the

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Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; and its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code,§ 2699.3, subd. (a)), Operative Complaint (Lab. Code, § 2699, subd. (1)(1)), and the Agreement (Lab. Code, § 2699, subd. (1)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their declarations, Plaintiffs and Class Counsel shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or

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conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone and in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. **SETTLEMENT ADMINISTRATION.**

7.1 Selection of Administrator. The Parties have jointly selected to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

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7.4.1 Not later than 20 days after the Court grants Preliminary Approval, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

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

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further

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attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

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

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the

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person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the

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Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks and/or PAGA Pay Periods is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and this Agreement, including contesting the fairness of the Settlement and the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payments.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail no later than the Response Deadline. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain, and use a website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

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

7.8.5 Final Report by Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense

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Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE.** Based on its records, Defendants state that the Class size is 373 persons and that there are 36,871 workweeks during the Class Period. In regard hereto, Defendants are providing a declaration as set forth in paragraph 6.1 prior to preliminary approval. In the event that the Workweeks accrued during the Class Period are more than 2% greater than this amount (greater than 37,609 workweeks), Defendants may elect to either (1) purchase the additional workweeks to increase the Gross Settlement Amount at a pro rata rate or (2) cut off the Class Period and PAGA Period as of the date one day before the 2% cushion is exhausted.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 2% of the total of all Class Members, Defendants may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio* and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than fourteen days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 (sixteen) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class

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Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

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

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.

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

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

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint has merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendants reserve the right to contest certification of any class for any reason, Defendants reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

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

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all

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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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

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

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

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

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

12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

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

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendants unless, before the Court's discharge of the Administrator's obligation, Defendants makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiffs:

Nicol E. Hajjar, Esq. (SBN 303102)
nicol.hajjar@wilshirelawfirm.com

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Rachel J. Vinson, Esq. (SBN 331434)
rachel.vinson@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendants:

John Egley (SBN 232545)
jegley@calljensen.com
Chris Scheithauer (SBN 184798)
cscheithauer@calljensen.com
CALL & JENSEN, APC
610 Newport Center Drive, Suite 700
Newport Beach, CA 92660
Telephone: (949) 706-5782

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

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

12.20 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and l123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Santa Clara County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

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IT IS SO AGREED.

By the Parties:

DATED: 5/5/2026

Signed by:
[signature]
C9B8D0DDB67145A...
Plaintiff Juan Carlos Garcia

DATED: 5/12/2026

Signed by:
[signature]
659CA3F299B9453...
Plaintiff Sulayman Abdul Aziz Storks

DATED: 5·13·2026

[signature]

Defendants Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation

By: Dara Seegout

Position: Chief Legal and Compliance Officer

DATED: May 5, 2026

WILSHIRE LAW FIRM

BY: [signature]
Nicol E. Hajjar
Rachel J. Vinson
Counsel for Plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks

DATED: May 13, 2026

CALL & JENSEN, APC

BY: [signature]
John Egley
Chris Scheithauer

Counsel for Defendants Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation

AMENDMENT TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Amendment to the Class Action and PAGA Settlement Agreement (the "Agreement") is made by and between Plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks ("Plaintiffs") and Defendants Carroll's LLC, dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation ("Defendants") (collectively, the "Parties") and approved by their respective counsel.

It is hereby agreed by all Parties that the following amendments shall be made to the Agreement, with new additions shown in bolded italics:

1. Section 1.44 of the Agreement is hereby amended as follows:

   1.44 "Response Deadline" means ***sixty (60)*** days after the administrator mails Class Notice and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion, or (b) fax, email or mail objections to the Settlement, or (c) fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional fourteen (14) calendar days beyond the Response Deadline.

2. All other sections, terms, and conditions of the Agreement shall remain unchanged and in full force and effect.

IT IS SO AGREED.

[SIGNATURES ON NEXT PAGE]

On behalf of Plaintiffs:

Dated: 10/01/2026

WILSHIRE LAW FIRM, PLC

By: _____

Nicol Hajjar
Rachel Vinson
Karen L. Wallace

Attorneys for Plaintiffs

On behalf of Defendants:

Dated: 10/1/2026

CALL & JENSEN, APC

By: _____

John Egley
Chris Scheithauer

Attorneys for Defendants

Exhibit A

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

Juan Carlos Garcia et al. v. Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation, Santa Clara County Superior Court, Case No. 25CV464606.

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

You may be eligible to receive money from the settlement of employee class action and PAGA lawsuits filed against Defendants *Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation* for alleged wage and hour violations. The Action was filed by Defendants' alleged former employees Juan Carlos Garcia and Sulayman Abdul Aziz Storks ("Plaintiffs") and seek payment of (1) back wages, penalties, and interest for a class of non-exempt hourly employees ("Class Members") who worked for Defendants during the Class Period from April 29, 2021 to December 5, 2025; and (2) penalties under the California Private Attorney General Act ("PAGA") for all non-exempt hourly employees who worked for Defendants during the PAGA Period (February 21, 2024 to December 5, 2025) ("Aggrieved Employees").

The proposed settlement has two main parts: (1) a class settlement requiring Defendants to fund individual class payments, and (2) a PAGA settlement requiring Defendants to fund individual PAGA payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA'").

Based on Defendants' records, and the parties' current assumptions, **your individual class payment is estimated to be $_____ (less withholding) and your individual PAGA payment is estimated to be $_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your individual PAGA payment, then according to Defendants' records you are not eligible for an individual PAGA payment under the settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you worked ____ workweeks** during the Class Period and **you worked ____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during the Class Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

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

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed settlement and be eligible for an individual class payment and/or an individual PAGA payment. As a participating class member, though, you will give up your

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right to assert Class Period wage claims against Defendants.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written request for exclusion or otherwise notifying the Administrator in writing. If you opt-out of the settlement, you will not receive an individual class payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an individual PAGA payment. You cannot opt-out of the PAGA portion of the proposed settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

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You Can Participate in the _____ Final Approval Hearing	The Court's final approval hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the final approval hearing. See Section VIII of this notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by:** _____	The amount of your individual class payment and individual PAGA payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many pay periods you worked at least one day during the PAGA Period, respectively. The number of Class Period workweeks and number of PAGA Period pay periods you worked according to Defendants' records is stated on the first page of this notice. If you disagree with the number of Class Period workweeks, you must challenge it by _____. See Section IV of this notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiffs allege that they are Defendants former employees. The Action accuses Defendants of violating California labor laws for (a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide required meal periods; (d) failure to authorize and permit rest periods; (e) failure to timely pay wages; (f) failure to timely pay final wages at termination; (g) failure to provide accurate itemized wage statements; (h) failure to indemnify employees for expenditures; (i) unfair business practices; and (j) violation of quota laws.

Based on the same claims, Plaintiffs have also asserted claims for civil penalties under the California Private Attorneys General Act (Lab. Code,§ 2698, et seq.). Plaintiffs are represented by the following attorneys in the Action: Nicol E. Hajjar, Esq and Rachel J. Vinson, WILSHIRE LAW FIRM. 660 S. Figueroa Street, Sky Lobby, Los Angeles, California 90017

Defendants strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws. The settlement is not an admission of guilt or liability by Defendants.

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

So far the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action (including all cases referenced above) by negotiating an agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement and agreeing to ask the Court to enter a judgment ending the Action, Plaintiffs and Defendants have negotiated a proposed settlement that is subject to the Court's final approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, Defendants does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the settlement is a good deal for you because they believe that: (1) Defendants has agreed to pay

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a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval.

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

1. Defendants Will Pay $600,000 as the Gross Settlement Amount ("Gross Settlement"). Defendants has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the settlement. The Administrator will use the Gross Settlement to pay the individual class payments, individual PAGA payments, class representative service payments, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants final approval, Defendants will fund the Gross Settlement not more than 14 days after the judgment entered by the Court becomes final. The judgment will be final on the date the Court enters judgment, or a later date if Participating Class Members object to the proposed settlement or the judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the final approval hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:

   A. Up to $210,000.00 (35% of the Gross Settlement) to Class Counsel for attorneys' fees and up to $20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

   B. Up to $10,000.00 each to Juan Carlos Garcia and Sulayman Abdul Aziz Storks as a class representative award for filing the Action, working with Class Counsel and representing the Class. A class representative award will be the only monies Plaintiffs will receive other than Plaintiffs' individual class payment and any individual PAGA payment.

   C. Up to $7,000 to the Administrator for services administering the settlement.

   D. Up to $60,000.00 for PAGA penalties, allocated 65% to the LWDA and 35% to individual PAGA payments to Aggrieved Employees based on their pay periods during the PAGA Period.

Participating Class Members have the right to object to any of these deductions except the PAGA penalties. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making individual class payments to Participating Class Members based on their Class Period workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 15% of each individual class payment to taxable wages ("Wage Portion") and 85% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The individual PAGA payments are

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counted as penalties rather than wages for tax purposes. The Administrator will report the individual PAGA payments and the Non-Wage Portions of the individual class payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for individual class payments and individual PAGA payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

   If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the class settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed request for exclusion by the _____ response deadline. The request for exclusion should be a letter from the Class Member or Class Member's representative setting forth the Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the settlement. Class Members who opt out will not receive individual class payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

   You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for individual PAGA payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will not grant final approval of the settlement or not enter a judgment. It is also possible the Court will enter a judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the settlement will be void, Defendants will not pay any money, and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, ILYN Group, Inc. (the "Administrator") to send this notice, calculate and make payments, and process Class Members' requests for exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the settlement. The Administrator's contact information is contained in Section IX of this notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the

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settlement. This means that unless you opted out by validly excluding yourself from the class settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this settlement.

The Participating Class Members will be bound by the following release:

> All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action and the Operative Complaint that are alleged to have occurred during the Class Period including, claims involving any alleged (a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide required meal periods; (d) failure to authorize and permit rest periods; (e) failure to timely pay wages; (f) failure to timely pay final wages at termination; (g) failure to provide accurate itemized wage statements; (h) failure to indemnify employees for expenditures; (i) unfair business practices; and (j) violation of quota laws. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the class settlement, cannot sue, continue to sue or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by this settlement.

The Aggrieved Employees' Release is as follows:

> All Aggrieved Employees are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, guardians, executors, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Action, the Operative Complaint, and the PAGA Notice that are alleged to have occurred during the PAGA Period including any PAGA claims relating to any alleged ((a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide required meal periods; (d) failure to authorize and permit rest periods; (e) failure to timely pay wages; (f) failure to timely pay final wages at termination; (g) failure to provide accurate itemized wage statements; (h) failure to indemnify employees for expenditures; (i) unfair business practices; and (j) violation of quota laws. The Aggrieved Employees do not release any other claims or claims based on events occurring outside the PAGA Period.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate individual class payments by (a)

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dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate individual PAGA payments by (a) dividing $_____ by the total number of PAGA Period pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.

3. Workweek Challenges. The number of Workweeks you worked during the Class Period, as recorded in Defendants' records, is stated in the first page of this notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this notice has the Administrator's contact information.

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

V. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the individual class payment and the individual PAGA payment (if any).

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual PAGA payment check to every Aggrieved Employee who opts out of the class settlement.

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

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

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as: "*Juan Carlos Garcia et al. v. Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation*, Santa Clara County Superior Court, Case No. 25CV464606," and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be

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valid. **You must send your request to be excluded to the Administrator by _____, or it will be invalid.** Section IX of the notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 days before the _____ final approval hearing, Class Counsel and/or Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a class representative service award. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website _____URL_____ or the Court's website _____URL_____.

A Participating Class Member who disagrees with any aspect of the settlement or the Motion for Final Approval may wish to object, for example, that the proposed settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is** _____. Be sure to tell the Administrator what you object to, why you object and any facts that support your objection. Make sure you identify the Action "*Juan Carlos Garcia et al. v. Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC – Tire and Battery Corporation*, Santa Clara County Superior Court, Case No. 25CV464606," and include your name, current address, telephone number and approximate dates of employment for Defendants and sign the objection. Section IX of this notice has the Administrator's contact information.

A Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the final approval hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section VIII of this notice (immediately below) for specifics regarding the final approval hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the final approval hearing on _____ at [time] in _____. 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 comment from objectors, Class Counsel and defense counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via _____. Check the Court's website for the most current information.

It's possible the Court will reschedule the final approval hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the final approval hearing.

IX. HOW CAN I GET MORE INFORMATION?

The settlement agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed settlement. The easiest way to read the settlement agreement, the judgment or

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any other settlement documents is to go to __(specify entity)__ website at __(url) You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Court's website by going to _____ and entering the Case Number for the Action, Case No. 25CV464606. You can also make an appointment to personally review court documents in the Clerk's Office at the Courthouse by calling _____.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

Class Counsel:
Nicol E. Hajjar, Esq. (SBN 303102)
nicol.hajjar@wilshirelawfirm.com
Rachel J. Vinson, Esq. (SBN 331434)
rachel.vinson@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Settlement Administrator:
ILYM Group, Inc.:
Email Address:
Mailing Address:
Telephone:
Fax Number:

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

XI. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 3

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Fri 10/9/2026 3:06 PM
To Giancarlo Recinos' Team <GiancarloRecinosTeam@wilshirelawfirm.com>

10/09/2026 03:06:21 PM

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

Item submitted: Proposed Settlement

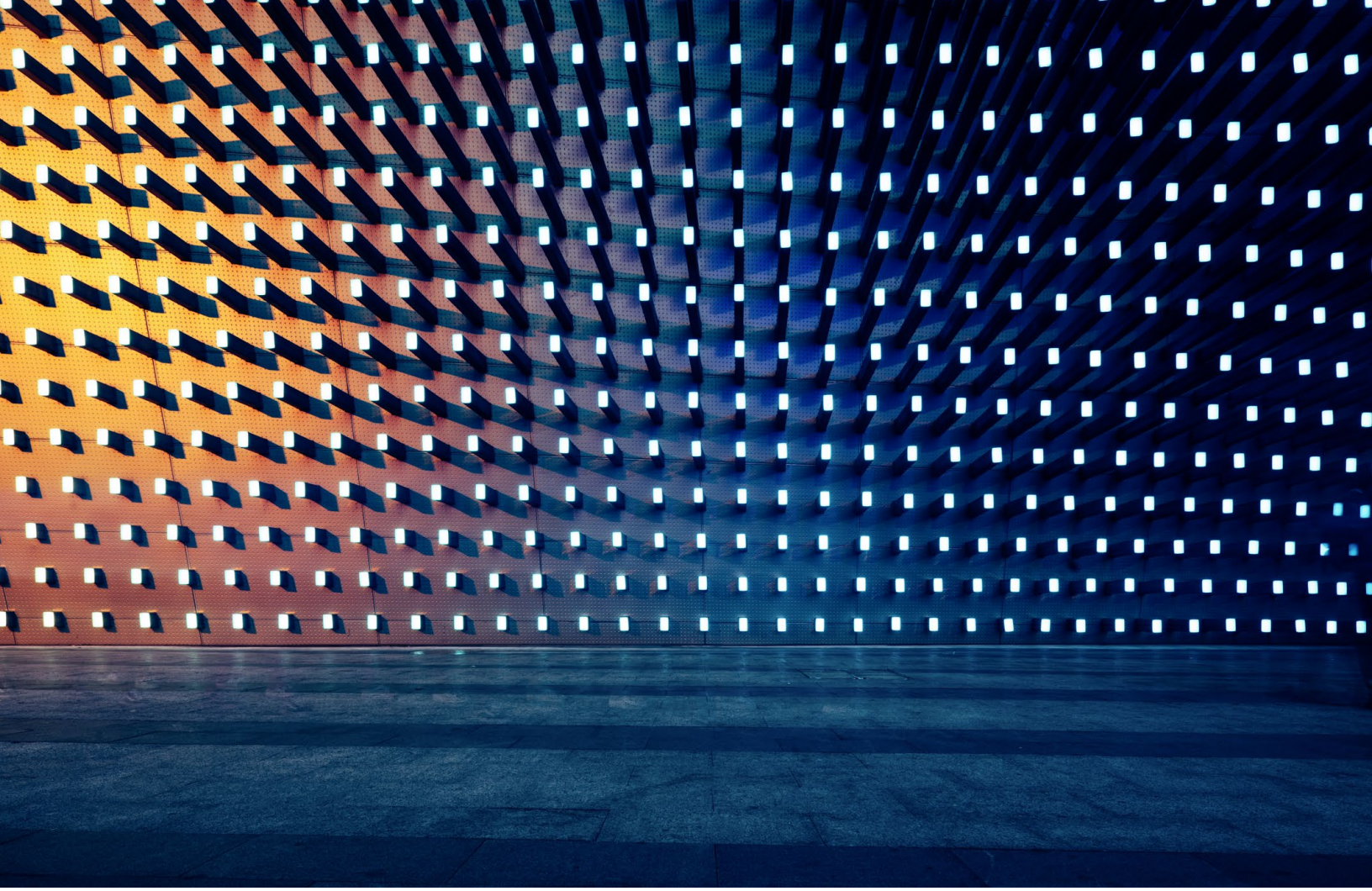
On 10/09/2026 03:06:21 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1081554-25

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7C1d93e7557e114551a7ec08df26519498%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639271803969480129%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=A5RwOC2A5lzLxqYRmTxWKr%2Br%2FIzSLbv13zzBAcNiZ3M%3D&reserved=0

EXHIBIT 4



ELM Solutions

2022 Real Rate Report®

The industry's leading analysis of law firm rates, trends, and practices

Wolters Kluwer

wolterskluwer.com

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Report Use Considerations

2022 Real Rate Report

- Examines law firm rates over time
- Identifies rates by location, experience, firm size, areas of expertise, industry, and timekeeper role (i.e., partner, associate, and paralegal)
- Itemizes variables that drive rates up or down

All the analyses included in the report derive from the actual rates charged by law firm professionals as recorded on invoices submitted and approved for payment.

Examining real, approved rate information, along with the ranges of those rates and their changes over time, highlights the role these variables play in driving aggregate legal cost and income. The analyses can energize questions for both corporate clients and law firm principals.

Clients might ask whether they are paying the right amount for different types of legal services, while law firm principals might ask whether they are charging the right amount for legal services and whether to modify their pricing approach.

Some key factors[1] that drive rates[2]:

Attorney location - Lawyers in urban and major metropolitan areas tend to charge more when compared with lawyers in rural areas or small towns.

Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors like the lawyer's level of experience).

Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural issues.

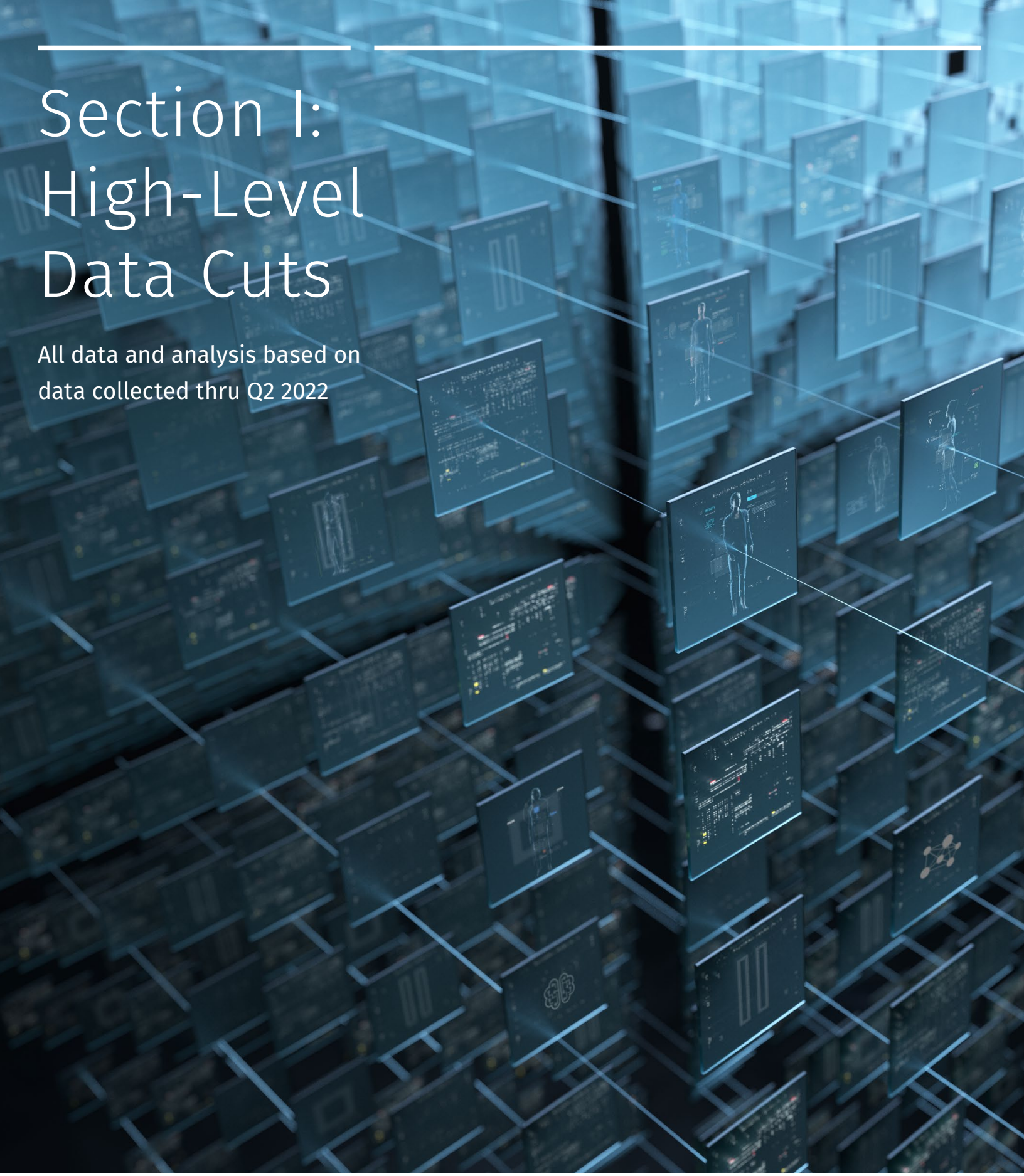
Overhead - The costs associated with the firm's support network (paralegals, clerks, and assistants), document preparation, consultants, research, and other expenses.

Firm size – The rates can increase if the firm is large and has various timekeeper roles at the firm. For example, the cost to work with an associate or partner at a larger firm will be higher compared to a firm that has one to two associates and a paralegal.

1 **David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from:** https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html
2 **Source: 2018 RRR.** Factor order validated in multiple analyses since 2010

Section I: High-Level Data Cuts

All data and analysis based on data collected thru Q2 2022



Section I: High-Level Data Cuts

Cities
By Matter Type

2022 - Real Rates for Associate and Partner **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Jackson MS	Litigation	Associate	56	$55	$225	$250	$178	$203	$175
	Non-Litigation	Partner	24	$315	$420	$485	$418	$394	$375
		Associate	25	$55	$126	$255	$155	$125	$259
Kansas City MO	Litigation	Partner	74	$413	$450	$556	$472	$450	$450
		Associate	50	$252	$329	$385	$319	$316	$305
	Non-Litigation	Partner	101	$411	$487	$615	$519	$487	$464
		Associate	73	$250	$320	$385	$322	$312	$285
Las Vegas NV	Non-Litigation	Partner	20	$350	$425	$525	$440	$422	$432
		Associate	11	$238	$267	$368	$301	$297	$282
Little Rock AR	Non-Litigation	Partner	11	$215	$215	$308	$264	$256	$298
Los Angeles CA	Litigation	Partner	322	$516	$725	$1,045	$799	$739	$702
		Associate	408	$400	$615	$855	$642	$606	$564
	Non-Litigation	Partner	521	$596	$868	$1,201	$903	$902	$858
		Associate	667	$441	$603	$845	$653	$712	$648

Section I: High-Level Data Cuts

Cities
By Matter Type

2022 - Real Rates for Associate and Partner **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Minneapolis MN	Non-Litigation	Associate	83	$340	$421	$528	$425	$408	$384
Nashville TN	Litigation	Partner	24	$275	$320	$456	$363	$378	$403
	Non-Litigation	Partner	78	$412	$484	$576	$505	$481	$470
		Associate	59	$270	$330	$384	$340	$315	$285
New Orleans LA	Litigation	Partner	47	$290	$332	$412	$343	$330	$340
		Associate	42	$231	$243	$340	$278	$290	$275
	Non-Litigation	Partner	32	$295	$347	$405	$419	$380	$391
		Associate	21	$244	$250	$278	$273	$303	$258
New York NY	Litigation	Partner	614	$475	$675	$1,088	$808	$784	$746
		Associate	631	$323	$460	$729	$545	$527	$509
	Non-Litigation	Partner	1,376	$765	$1,235	$1,638	$1,189	$1,139	$1,090
		Associate	1,809	$550	$776	$1,050	$796	$766	$716
Oklahoma City OK	Non-Litigation	Partner	14	$235	$338	$393	$337	$319	$311
Omaha NE	Litigation	Partner	12	$293	$339	$353	$329	$338	$341

Section I: High-Level Data Cuts

Cities
By Matter Type

2022 - Real Rates for Associate and Partner **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Rochester NY	Non-Litigation	Partner	12	$270	$360	$488	$386	$341	$446
		Associate	13	$220	$310	$375	$314	$278	$287
Sacramento CA	Non-Litigation	Partner	11	$381	$437	$682	$534	$559	$516
Salt Lake City UT	Litigation	Partner	14	$246	$353	$468	$363	$333	$379
	Non-Litigation	Partner	42	$297	$371	$447	$391	$363	$353
		Associate	22	$220	$240	$270	$248	$247	$228
San Diego CA	Litigation	Associate	23	$151	$225	$300	$255	$258	$264
	Non-Litigation	Partner	89	$332	$540	$1,066	$699	$667	$649
		Associate	71	$250	$325	$424	$373	$378	$351
San Francisco CA	Litigation	Partner	143	$423	$675	$995	$742	$711	$691
		Associate	98	$325	$430	$731	$525	$517	$470
	Non-Litigation	Partner	221	$475	$750	$950	$758	$746	$741
		Associate	151	$338	$486	$702	$545	$563	$507
San Jose CA	Litigation	Partner	33	$654	$921	$1,133	$916	$907	$864

Section I: High-Level Data Cuts

Cities
By Matter Type

2022 - Real Rates for Associate and Partner **Trend Analysis - Mean**

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
San Jose CA	Litigation	Associate	22	$461	$580	$745	$608	$593	$498
	Non-Litigation	Partner	50	$660	$864	$1,303	$969	$985	$887
		Associate	46	$380	$460	$775	$616	$639	$567
Seattle WA	Litigation	Partner	76	$497	$655	$760	$635	$567	$510
		Associate	61	$394	$468	$530	$447	$453	$395
	Non-Litigation	Partner	148	$410	$526	$760	$571	$547	$547
		Associate	113	$310	$395	$502	$422	$401	$377
St. Louis MO	Litigation	Partner	46	$260	$350	$435	$376	$373	$388
		Associate	17	$197	$225	$250	$228	$237	$232
	Non-Litigation	Partner	57	$352	$419	$540	$451	$446	$473
Tampa FL	Litigation	Partner	31	$369	$508	$595	$490	$467	$452
		Associate	15	$269	$298	$368	$316	$302	$306
Trenton NJ	Non-Litigation	Partner	21	$408	$600	$700	$569	$620	$581
		Associate	12	$480	$495	$500	$448	$376	$387

Section I: High-Level Data Cuts

Cities
By Years of Experience

2022 - Real Rates for Associate | **Trend Analysis - Mean**

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	$270	$325	$360	$318	$295	$283
	7 or More Years	28	$292	$334	$391	$333	$312	$302
Los Angeles CA	Fewer Than 3 Years	63	$429	$595	$654	$556	$524	$488
	3 to Fewer Than 7 Years	144	$486	$688	$838	$662	$626	$530
	7 or More Years	171	$351	$550	$840	$600	$634	$586
Miami FL	3 to Fewer Than 7 Years	19	$300	$360	$457	$380	$331	$313
	7 or More Years	36	$295	$450	$595	$460	$433	$385
Minneapolis MN	Fewer Than 3 Years	11	$374	$405	$446	$408		$230
	3 to Fewer Than 7 Years	27	$340	$451	$510	$421	$358	$356
	7 or More Years	27	$423	$468	$585	$478	$438	$392
Nashville TN	7 or More Years	12	$219	$245	$345	$282	$266	$262
New Orleans LA	3 to Fewer Than 7 Years	12	$232	$243	$265	$261	$242	$245
	7 or More Years	18	$243	$312	$343	$306	$318	$294
New York NY	Fewer Than 3 Years	142	$443	$622	$775	$629	$600	$652

Section I: High-Level Data Cuts

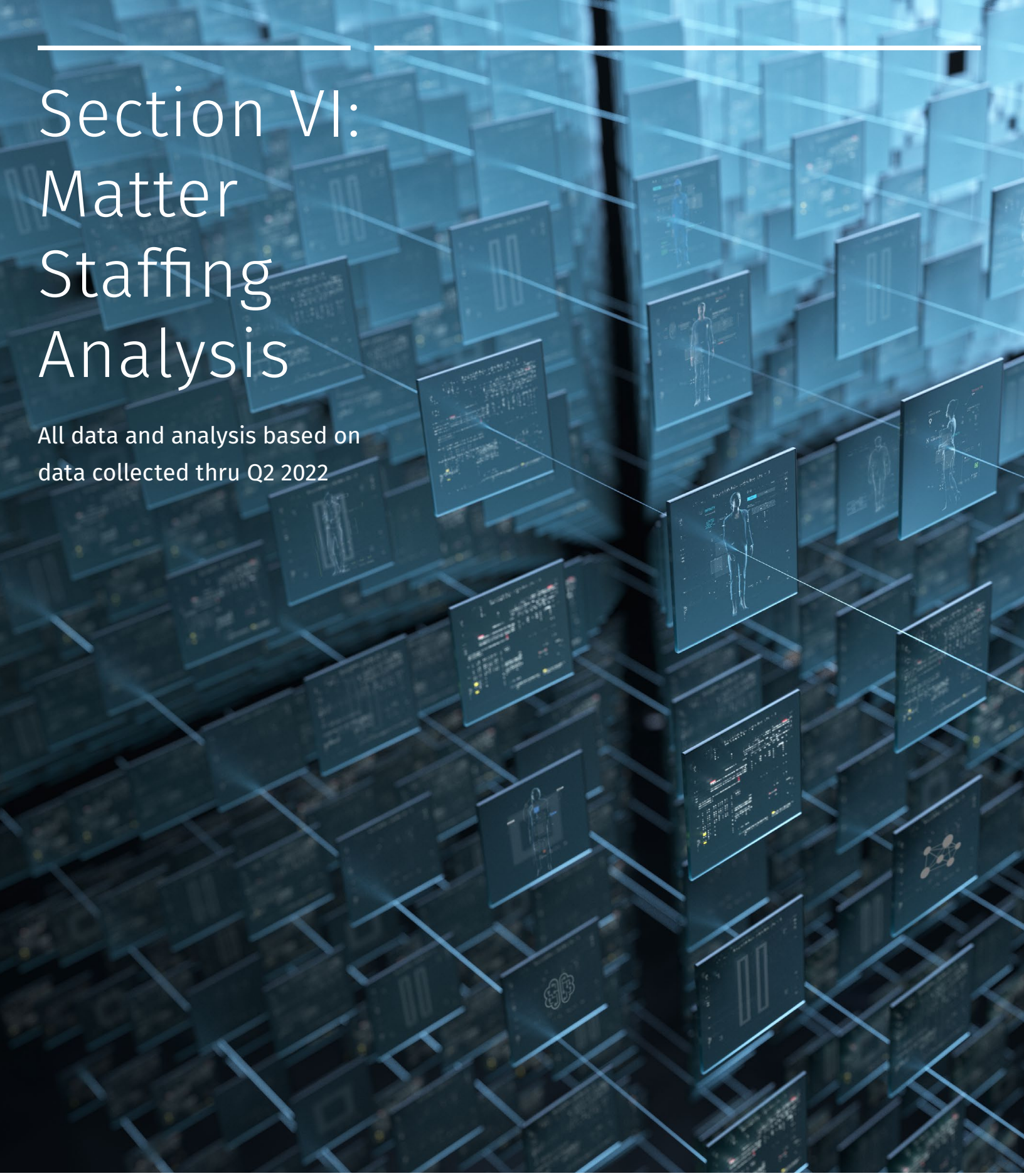
Cities
By Years of Experience

2022 - Real Rates for Partner **Trend Analysis - Mean**

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	Fewer Than 21 Years	46	$400	$450	$537	$473	$411	$397
	21 or More Years	68	$440	$553	$658	$539	$497	$491
Las Vegas NV	Fewer Than 21 Years	12	$284	$381	$495	$389	$349	$343
	21 or More Years	13	$350	$425	$515	$468	$456	$472
Los Angeles CA	Fewer Than 21 Years	183	$533	$801	$1,075	$804	$797	$682
	21 or More Years	333	$550	$765	$1,133	$863	$842	$808
Memphis TN	Fewer Than 21 Years	14	$288	$331	$380	$345	$317	$328
	21 or More Years	15	$355	$415	$425	$394	$382	$375
Miami FL	Fewer Than 21 Years	57	$370	$450	$598	$490	$498	$443
	21 or More Years	104	$388	$581	$749	$584	$580	$536
Milwaukee WI	21 or More Years	16	$302	$454	$613	$589	$515	$530
Minneapolis MN	Fewer Than 21 Years	36	$470	$530	$607	$532	$486	$499
	21 or More Years	84	$507	$675	$796	$656	$620	$589
Nashville TN	Fewer Than 21 Years	28	$375	$405	$535	$449	$405	$397

Section VI: Matter Staffing Analysis

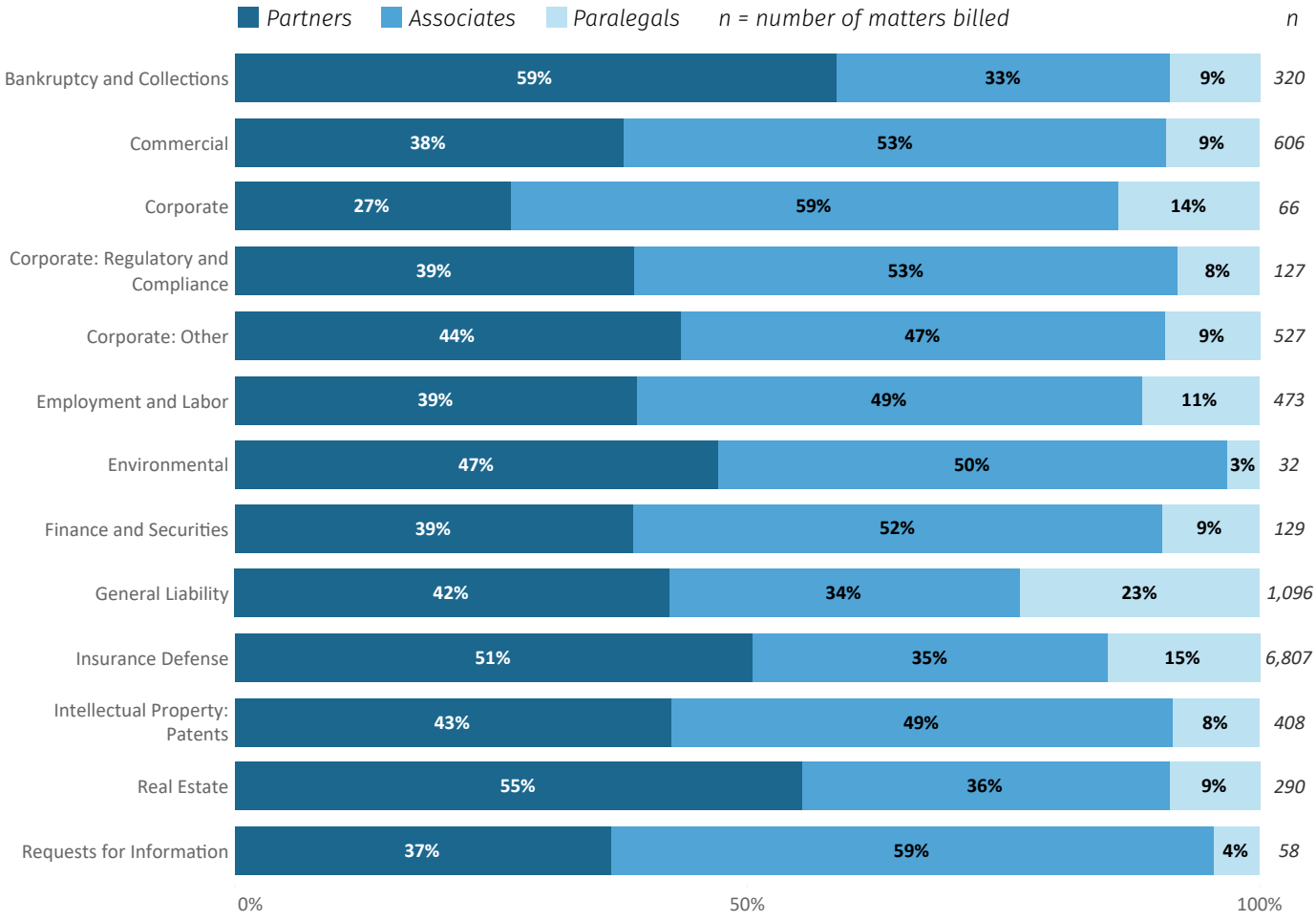
All data and analysis based on data collected thru Q2 2022



Section VI: Matter Staffing Analysis

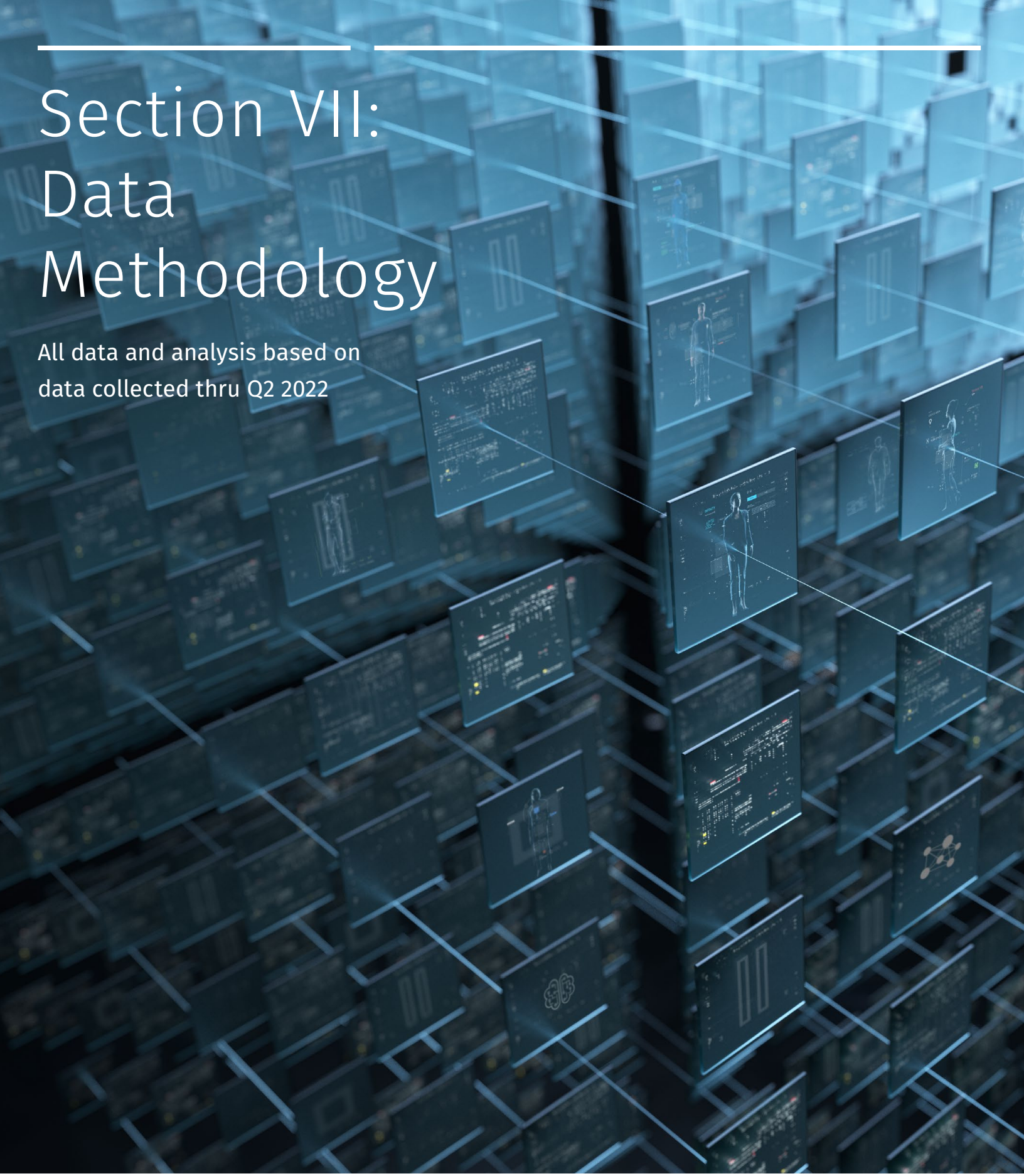
Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on data collected thru Q2 2022



Appendix: Data Methodology

Invoice Information

Data in Wolters Kluwer ELM Solutions' reference database and the 2022 Real Rate Report were taken from invoice line-item entries contained in invoices received and approved by participating companies.

Invoice data were received in the Legal Electronic Data Exchange Standard (LEDES) format (LEDES.org). The following information was extracted from those invoices and their line items:

- Law firm (which exists as a random number in the ELM Solutions reference database)
- Timekeeper ID (which exists as a random number in the ELM Solutions reference database)
- Matter ID (which exists as a random number in the ELM Solutions reference database)
- Timekeeper's position (role) within the law firm (partner, associate, paralegal, etc.)
- Uniform Task-Based Management System Code Set, Task Codes, and Activity Codes (UTBMS.com)
- Date of service
- Hours billed
- Hourly rate billed
- Fees billed

Non-Invoice Information

To capture practice area details, the matter ID within each invoice was associated with matter profiles containing areas of work in the systems of each company. The areas of work were then systematically categorized into legal practice areas. Normalization of practice areas was done based on company mappings to system-level practice areas available in the ELM Solutions system and by naming convention.

The majority of analyses included in this report have been mapped to one of 11 practice areas, further divided into sub-areas and litigation/non-litigation (for more information on practice areas and sub-areas, please refer to pages 232-234).

To capture location and jurisdiction details, law firms and timekeepers were systematically mapped to the existing profiles within ELM Solutions systems, as well as with publicly available data sources for further validation and normalization. Where city location information is provided, it includes any address within that city's defined Core-Based Statistical Area (CBSA) as defined by the Office of Management and Budget (OMB). The CBSAs are urban centers with populations of 10,000 or more and include all adjacent counties that are economically integrated with that urban center.

Where the analyses focus on partners, associates, and paralegals, the underlying data occasionally included some sub-roles, such as "senior partner" or "junior associate." In such instances, those timekeeper sub-roles were placed within the broader partner, associate, and paralegal segments.

Demographics regarding law firm size, location, and lawyer years of experience were augmented by incorporating publicly available information.

Appendix: Data Methodology

A Note on US Cities

Principal City	CBSA Name
Hartford, CT	Hartford-East Hartford-Middletown, CT
Honolulu, HI	Urban Honolulu HI
Houston, TX	Houston-The Woodlands-Sugar Land, TX
Indianapolis, IN	Indianapolis-Carmel-Anderson, IN
Jackson, MS	Jackson, MS
Jacksonville, FL	Jacksonville, FL
Kansas City, MO	Kansas City, MO-KS
Lafayette, LA	Lafayette, LA
Las Vegas, NV	Las Vegas-Henderson-Paradise, NV
Lexington, KY	Lexington-Fayette, KY
Little Rock, AR	Little Rock-North Little Rock-Conway, AR
Los Angeles, CA	Los Angeles-Long Beach-Anaheim, CA
Louisville, KY	Louisville/Jefferson County, KY-IN
Madison, WI	Madison, WI
Memphis, TN	Memphis-Forrest City, TN-MS-AR
Miami, FL	Miami-Fort Lauderdale-Pompano Beach, FL
Milwaukee, WI	Milwaukee-Waukesha, WI
Minneapolis, MN	Minneapolis-St. Paul-Bloomington, MN-WI
Nashville, TN	Nashville-Davidson-Murfreesboro-Franklin, TN
New Haven, CT	New Haven-Milford, CT
New Orleans, LA	New Orleans-Metairie, LA
New York, NY	New York-Newark-Jersey City, NY-NJ-PA
Oklahoma City, OK	Oklahoma City, OK
Omaha, NE	Omaha-Council Bluffs, NE-IA
Orlando, FL	Orlando-Kissimmee-Sanford, FL
Philadelphia, PA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Phoenix, AZ	Phoenix-Mesa-Chandler, AZ
Pittsburgh, PA	Pittsburgh, PA
Portland, ME	Portland-South Portland, ME
Portland, OR	Portland-Vancouver-Hillsboro, OR-WA
Providence, RI	Providence-Warwick, RI-MA
Raleigh, NC	Raleigh-Cary, NC
Reno, NV	Reno-Carson City-Fernley, NV

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections
General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

Contract Breach or Dispute
General, Drafting, and Review
General/Other

Corporate[1]

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures
Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA
General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety
Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other
Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other
Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

1 All references to "Corporate: General/Other" in the Real Rate Report are the aggregation of all Corporate sub-areas excluding the Mergers, Acquisitions, and Divestitures sub-area and the Regulatory and Compliance sub-area.

EXHIBIT 5

Free Newsletter Sign Up

Business & Practice

Big Law Rates Topping $2,000 Leave Value ‘In Eye of Beholder’

By Roy Strom

Column
June 9, 2022, 2:30 AM

Welcome back to the Big Law Business column on the changing legal marketplace written by me, Roy Strom. Today, we look at a new threshold for lawyers’ billing rates and why it’s so difficult to put a price on high-powered attorneys. Sign up to receive this column in your inbox on Thursday mornings. Programming note: Big Law Business will be off next week.

Some of the nation’s top law firms are charging more than $2,000 an hour, setting a new pinnacle after a two-year burst in demand.

Partners at Hogan Lovells and Latham & Watkins have crossed the threshold, according to court documents in bankruptcy cases filed within the past year.

Other firms came close to the mark, billing more than $1,900, according to the documents. They include Kirkland & Ellis, Simpson Thacher & Bartlett, Boies Schiller Flexner, and Sidley Austin.

Simpson Thacher & Bartlett litigator Bryce Friedman, who helps big-name clients out of jams, especially when they’re accused of fraud, charges $1,965 every 60 minutes, according to a court document.

In need of a former acting US Solicitor General? Hogan Lovells partner Neal Katyal bills time at $2,465 an hour. Want to hire famous litigator David Boies? That’ll cost $1,950 an hour (at least). Reuters was first to report their fees.

Eye-watering rates are nothing new for Big Law firms, which typically ask clients to pay higher prices at least once a year, regardless of broader market conditions.

“Value is in the eye of the beholder,” said John O’Connor, a San Francisco-based expert on legal fees. “The perceived value of a good lawyer can reach into the multi-billions of dollars.”

Kirkland & Ellis declined to comment on its billing rates. None of the other firms responded to requests to comment.

Charge It Up

Big Law firms are crossing the $2,000-an-hour threshold after two years of surging rates driven by an increase in demand for lawyers.

Firm	Highest Billing Rate
Hogan Lovells	$2,465
Latham & Watkins	$2,075
Kirkland & Ellis	$1,995
Simpson Thacher & Bartlett	$1,965
Boies Schiller Flexner	$1,950
Sidley Austin	$1,900

Source: Court documents

Bloomberg Law

Law firms have been more successful raising rates than most other businesses over the past 15 years.

Law firm rates rose by roughly 40 percent from 2007 to 2020, or just short of 3 percent per year, Thomson Reuters Peer Monitor data show. US inflation rose by about 28% during that time.

The 100 largest law firms in the past two years achieved their largest rate increases in more than a decade, Peer Monitor says. The rates surged more than 6% in 2020 and grew another 5.6% through November of last year. Neither level had been breached since 2008.

The price hikes occurred during a once-in-a-decade surge in demand for law services, which propelled profits at firms to new levels. Fourteen law firms reported average profits per equity partner in 2021 over $5 million, according to data from The American Lawyer. That was up from six the previous year.

The highest-performing firms, where lawyers charge the highest prices, have outperformed their smaller peers. Firms with leading practices in markets such as mergers and acquisitions, capital markets, and real estate were forced to turn away work at some points during the pandemic-fueled surge.

Firms receive relatively tepid pushback from their giant corporate clients, especially when advising on bet-the-company litigation or billion-dollar deals.

The portion of bills law firms collected—a sign of how willingly clients pay full-freight—rose during the previous two years after drifting lower following the Great Financial Crisis. Collection rates last year breached 90% for the first time since 2009, Peer Monitor data show.

Professional rules prohibit lawyers from charging “unconscionable” or “unreasonable” rates. But that doesn’t preclude clients from paying any price they perceive as valuable, said Jacqueline Vinaccia, a San Diego-based lawyer who testifies on lawyer fee disputes.

Lawyers’ fees are usually only contested when they will be paid by a third party.

That happened recently with Hogan Lovells’ Katyal, whose nearly $2,500 an hour fee was contested in May by a US trustee overseeing a bankruptcy case involving a Johnson & Johnson unit facing claims its talc-based powders caused cancer.

The trustee, who protects the financial interests of bankruptcy estates, argued Katyal’s fee was more than $1,000 an hour higher than rates charged by lawyers in the same case at Jones Day and Skadden Arps Slate Meagher & Flom.

A hearing on the trustee’s objection is scheduled for next week. Hogan Lovells did not respond to a request for comment on the objection.

Vinaccia said the firm’s options will be to reduce its fee, withdraw from the case, or argue the levy is reasonable, most likely based on Katyal’s extensive experience arguing appeals.

Still, the hourly rate shows just how valuable the most prestigious lawyers’ time can be—even compared to their highly compensated competitors.

“If the argument is that Jones Day and Skadden Arps are less expensive, then you’re already talking about the cream of the crop, the top-of-the-barrel law firms,” Vinaccia said. “I can’t imagine a case in which I might argue those two firms are more reasonable than the rates I’m dealing with.”

Worth Your Time

On Cravath: Cravath Swaine & Moore is heading to Washington, opening its first new office since 1973 by hiring former heads of the U.S. Securities and Exchange Commission and Federal Deposit Insurance Corporation. Meghan Tribe reports the move comes as Big Law firms are looking to add federal government expertise as clients face more regulatory scrutiny.

On Big Law Promotions: It’s rare that associates get promotions to partner in June, but Camille Vasquez is now a Brown Rudnick partner after she shot to fame representing Johnny Depp in his defamation trial against ex-wife Amber Heard.

On Working From Home: I spoke this week with Quinn Emanuel’s John Quinn about why he thinks law firm life is never going back to the office-first culture that was upset by the pandemic. Listen to the podcast here.



00:00:00

That's it for this week! Thanks for reading and please send me your thoughts, critiques, and tips.

To contact the reporter on this story: Roy Strom in Chicago at rstrom@bloomberglaw.com

To contact the editors responsible for this story: Chris Opfer at copfer@bloomberglaw.com; John Hughes at jhughes@bloombergindustry.com

Documents

Trustee's Objection

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Law Firms

Simpson Thacher
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Jones Day
Skadden
Sidley Austin
Quinn Emanuel
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data breaches

Companies

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EXHIBIT 6

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: Juan Carlos Garcia v. Carroll's, LLC DBA National Tire Wholesale

Monday, February 9, 2026

Requesting Attorney:
Chris Scheithauer
Call & Jensen, APC
cscheithauer@calljensen.com
949.706.5782

ILYM Group Contact:
Lisa Mullins
ILYM Group, Inc.
Lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	373
Estimated Percentage of Remails	15%
Certified Spanish Translation	No
ILYM Group Static Website	No
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	$325.00
Project Management:	$1,175.00
Notification & Mailing:	$1,036.22
Distribution (Includes EIN, Bank Acct * /QSF Setup):	$3,498.78
Case Conclusion:	$965.00
Not-To-Exceed ILYM Fees & Expenses:	**$7,000.00**

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: Juan Carlos Garcia v. Carroll's, LLC DBA National Tire Wholesale

Monday, February 9, 2026

Requesting Attorney's Name: Chris Scheithauer

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	$150.00	1	$150.00
Programming of Class Database	Hourly	$175.00	1	$175.00
**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ $150.00 per hour.*			**Subtotal**	**$325.00**
PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	$120.00	4	$480.00
Staff Hours for Processing Returned Mail	Hourly	$70.00	2	$140.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	$70.00	2	$140.00
Report Processing	Hourly	$70.00	2	$140.00
NCOA	Flat Rate	$125.00	1	$125.00
Toll Free Customer Service Representative	Flat Fee	$150.00	1	$150.00
Weekly Reports	Flat Rate	$750.00	1	Waived
			Subtotal	**$1,175.00**
NOTIFICATION & MAIILING				
Fulfillment of Notice, English only	Per Piece	$1.50	373	$559.50
USPS First Class Postage	Per Piece	$0.74	373	$276.02
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	$2.00	45	$89.52
Storage, Photocopies, Deliveries	Flat Fee	$111.18	1	$111.18
			Subtotal	**$1,036.22**

ILYM | GROUP, Inc.
CLASS ACTION ADMINISTRATION

Case Name: Juan Carlos Garcia v. Carroll's, LLC DBA National Tire Wholesale

Monday, February 9, 2026

Requesting Attorney's Name: Chris Scheithauer

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	$150.00	3	$450.00
Account Reconciliation & Distribution Reporting	Hourly	$125.00	3	$375.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	$1.00	373	$373.00
USPS First Class Postage	Per Piece	$0.74	373	$276.02
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	$1.50	30	$44.76
Preparation of Taxes	Hourly	$120.00	4	$480.00
Annual Filing of Tax Return	Per Year	$1,500.00	1	$1,500.00

**Additional Bank fees may apply*

Subtotal **$3,498.78**

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	$100.00	1	$100.00
Project Manager Final Reporting	Hourly	$120.00	2	$240.00
Process Unclaimed Funds	Flat Fee	$500.00	1	$500.00
Declaration	Hourly	$125.00	1	$125.00

Subtotal **$965.00**

Not-To-Exceed ILYM Fees & Expenses: **$7,000.00**

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Clients instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.