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Attorneys for Plaintiff JASON TRACY, in a Representative capacity only, and on behalf of other members of the general public similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

JASON TRACY, in a Representative capacity only, and on behalf of other members of the general public similarly situated

Plaintiff

v.

DESERT AUTO GROUP IV, LLC, a California Limited Liability Company; DESERT AUTO GROUP, LLC, a California Limited Liability Company; and DOES 1-10, inclusive

Defendants

CASE NO. 37-2022-00045443-CU-OE-CTL

**DECLARATION OF ERIC K. YAECKEL
IN SUPPORT OF PLAINTIFF'S MOTION
RE: UNOPPOSED PAGA APPROVAL**

Date: September 20, 2024

Time: 9:00 a.m.

Dept.: C-75

Judge: Hon. James Mangione

1 I, Eric K. Yaeckel declare as follows:

2 1. I am an attorney licensed to practice law before all the courts of the State of California, and am
3 employed with the law firm of SULLIVAN & YAECKEL LAW GROUP, APC, attorneys of
4 record for JASON TRACY, in a Representative capacity only, and on behalf of other members
5 of the general public similarly situated in this matter.

6 2. I make this declaration in support of Plaintiff's Unopposed Motion Re: PAGA Settlement
7 Approval. I am personally familiar with the facts set forth in this declaration and, if called to
8 testify, could and would do so.

9 **Background and Settlement**

10 3. A true and correct copy of the parties "PAGA Settlement Agreement" is attached as **Exhibit**
11 **1**.

12 4. Prior to attending mediation, Defendant provide Plaintiff with informal discovery as to the
13 scope and size of the PAGA group, all relevant employment policies and handbooks, and a
14 large sampling of time and wage data for the putative aggrieved employees.

15 5. On April 10, 2024, the parties attended a full day mediation presided over by Hon. Herbert B.
16 Hoffman, the Parties reached a proposed settlement that includes a payment of penalties to the
17 LWDA. Negotiations over all final settlement terms continued for several months.

18 6. The Total Value of the proposed Settlement is **\$80,000**. The "Monetary Terms"" are found in
19 Exhibit 1 (paragraph 3). After deductions for contingent costs, there will be \$6,826.46
20 dispersed between the aggrieved employees. The actual calculations will be based on pay
21 periods worked. If you divide the \$6,826.46 between all 55 employees it results in an average
22 recovery of \$124.12 per employee.

23 7. Based on the release, there are no restrictions for any of the **55** employees to file individual
24 actions, as the settlement agreement only covers PAGA claims.

25 **Experience of Counsel**

26 8. I am co-lead trial counsel. I have over 13 years of experience as a licensed California attorney
27 who is primarily engaged in prosecuting class and representative actions. I have spent my entire
28 practice engaged in prosecuting class and representative actions. I became a partner in our law

1 firm in 2020.

2 9. Our office are the attorneys of record in a matter recently (and favorably) decided before the
3 California Supreme Court titled *Donohue v. AMN Services, LLC*, 11 Cal.5th 58 (2021). The
4 *Donohue* matter is a certified class and PAGA action.

5 10. Our office is lead counsel on at least 40 employment “wage and hour” claims with class action,
6 or representative action, allegations. These cases are set within the California Superior Court
7 and Federal District Courts in California. Our office is currently lead counsel on claims that
8 have been certified by both Court Order and by stipulation of the parties. In the last three years,
9 Sullivan & Yaeckel Law Group has settled at least 15 employment “wage and hour” claims on
10 behalf of a Certified Class.

11 11. In the last five years, Sullivan & Yaeckel Law Group has tried three “Wage and Hour”
12 Representative (PAGA) cases.

13 12. Our firm has the requisite experience knowledge of California law and the Federal Rules of
14 Civil Procedure required to act on behalf of the Class. I consider the Settlement Agreement in
15 this matter to represent a fair, adequate and reasonable settlement that is well within the
16 accepted range of recoveries for similar wage and hour class actions. I also believe the
17 Agreement is in the best interests of the Settlement Class Members. I am also aware that
18 Defendants’ counsel (both the firm, and individual attorneys working on this case) have
19 extensive experience defending similar wage and hour class actions.

20 13. Based on the above experience, it is this firm’s opinion that this settlement represents a fair and
21 adequate payment to the LWDA and aggrieved employees.

22 **The Lodestar Analysis**

23 14. Plaintiff seeks attorneys fees in the amount of one third of the total settlement amount, which
24 is \$26,666.67 For purposes of a lodestar cross-check the firms’ attorneys’ fees incurred (to
25 date) are estimated to amount to approximately **\$39,144.00**. The Attorney’s fees are broken
26 down as follows:

27 a. I served as lead investigator and co-trial counsel, per the specific request of Plaintiff.

28 My billing rate is **\$600.00** per hour. Over the course of the investigation (including

pre-filing), I have currently expended approximately **42.0** hours in the service of this action. **42.0** hours times **\$600.00** equals **\$25,200.00**. The work includes preliminary investigation, and the majority of all client and aggrieved employee interaction/meetings. This also included a substantive review and analysis of documents. During this time, I also investigated Defendant, its business practices, and any variations in employee job duties and rates of pay. Aside from supervising the primary associates, my work also included attending hearings and most of the day to day communication with opposing counsel. I spent substantial time preparing for, and attending, the mediation, including preparing a detailed mediation brief and damage analysis. I also handled numerous exchanges between the mediator and Defense counsel to negotiate and finalize the settlement. I also assisted with the review and drafting of settlement documents and the approval motion.

- b. Mr. Ryan Kuhn also served as Associate Attorneys assigned to the case. The associates' billing rate on this matter is **\$420.00** per hour. The associates expended approximately **30.5** hours in the service of this action. **33.2** hours times **\$420.00** equals **\$13,944.00**. The work performed by the associates consisted of, for the most part, analysis of Defendants' documents and records, in preparation for mediation. The associates were also assigned to discovery creation/review, the preparation of "meet and confer" letters and some other contact with defense counsel.

The Reasonableness of Plaintiff's Hourly Rates

15. I printed a copy of the Updated Laffey Matrix from the following website: www.laffeymatrix.com. A true and correct copy is attached as **Exhibit 2**.
16. The referenced "Laffey" chart states that for the time periods in this case, for an attorney with 11-19 years experience, the matrix states a reasonable fee is between \$829- \$878 per hour. I have over 12 years experience working on class action litigation and only bill at the rate of \$600 per hour.
17. For an attorney with 4-7 years experience, the matrix states a reasonable fee is between \$508 - \$538 per hour. The associate Mr. Kuhn, who was working on this matter has 4-7 years

experience and billed at the rate of \$420 per hour.

18. Accordingly, we submit our rates are comparable to, or less than, those charged by other class action plaintiffs' counsel and the firms defending class actions.

19. Our hourly rates have routinely been approved by numerous federal and state Courts.

20. In a recent successful PAGA trial, tried before in the San Diego Superior Court, our office was awarded our full requested attorneys fees and was approved at the requested hourly rates (which are similar to the fees/rates billed here). Please See *Carrington v. Starbucks Corp.* San Diego Superior Court, Case No. 37-2014-00018637-CU-OE-CTL and published appellate opinion 30 Cal.App.5th 504.

Costs of Litigation

21. Class Counsel's total costs expended in this matter will be \$8,277.50. This is less than the \$12,000 amount that Defendant agreed not to contest. The attached Cost Worksheet was contemporaneously maintained and updated by my office. (See **Exhibit 3**). This is a true and accurate summary of the costs incurred by Plaintiff's counsel. The costs include, filing and service fees (including the Complaint and all other pleadings, all e-file charges, LWDA filing fees and attorney messenger fees; Mediation Fees; Legal Research and Postage and Copying Costs).

Additional Factors Relevant to PAGA Approval

22. Plaintiff central allegations settled around the claim that he - and other employees - received "short," "late," or "missing" Meal Periods, including those documented within Defendant's Time Records. Plaintiff also challenged whether Defendant maintained lawful meal and rest periods. Plaintiff alleged he- and other employees -were not properly compensated due to Defendant's failure to maintain accurate time records. Finally, Plaintiff also challenged whether Defendant maintained lawful meal and rest period policies.

23. Plaintiff was claiming he was "mis-classified" as exempt. Substantial litigation would have occurred over that threshold issue, if not for the settlement.

24. Investigations completed by Plaintiff's counsel revealed that Defendant's timekeeping policies and employee records were not in compliance with California law. However, these

- investigations also revealed that the “rate of violation” by Defendant was significantly less than 100%. On many of those occasions, it appears that Defendant did, in fact, comply with the law.
25. Based on the above, the maximum liability in a case of this type would be in the range of **\$150,000.00** to **\$200,000.00**. However, without revealing settlement protected communications, it was highly unlikely Plaintiff could ever recover anything approaching a maximum judgment.
26. Moreover, Plaintiff’s counsel is aware of the Court’s discretion to mitigate penalties pursuant to California Labor Code section 2699(e)(2). To confirm, Plaintiff’s counsel experienced the mitigation of “PAGA” penalties in *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504. In *Carrington*, Judge Bacal significantly mitigated PAGA penalties (\$5 per violation), due to the efforts made by the employer to comply with the law.
27. Plaintiff’s counsel agrees that penalties *should* be mitigated where violations are minimal (or rare), or where the employer makes significant efforts to comply with the Labor Code.
28. As the above factors exist in this case, it is the opinion of Plaintiff’s counsel that the settlement is fair, adequate, and reasonable. Specifically, Plaintiff’s counsel’s understanding is that Defendant has agreed to review its policies and practices, and amend them to the extent they do not comply with California law.
29. Plaintiff has uploaded this entire motion to the LWDA, concurrent with the filing. (See the concurrently submitted Proof of Service on the LWDA.) To date, Plaintiff has not received a response from the LWDA regarding the proposed settlement. If the LWDA contacts Plaintiff’s counsel at any time prior to the hearing, Plaintiff’s counsel will provide an updated declaration to the Court.
30. The parties proposed notice to accompany the settlement checks is attached as **Exhibit 4**.
31. The named Plaintiff Jason Tracy contributed extensive time and resources in the prosecution of this case. Plaintiff was able to provide information instrumental to the prosecution of this matter including identifying numerous witnesses that could corroborate the claims. Plaintiff also assisted with reviewing and providing insight on Defendant's documents produced. Plaintiffs brought to our attention numerous Labor Code violations that formed the basis of the

litigation.

32. I know (from experience) that any company who does a detailed background check, will be able to determine that Plaintiff is serving as PAGA and/or class representatives in a lawsuit against their former employer.

33. An entire industry exists that allows employers to run extensive background searches on potential employees. Companies who provide these services specifically highlight the fact that their services allows employers to weed out litigious employment candidates. One such service outlines ways that employers can "get a sense of whether a prospective employee is likely to sue" the employer, through background checks and other means, to screen out these employees. www.reliableplant.com/Read/6959/a-solution-to-fear-of-hiring-litigious-employees. Onicra Credit Rating Agency of India states: "Background screening has become a necessity in today's litigious society." Back Track Screening also represents: "In today's litigious culture, employers simply cannot afford to hire employees who will put their company at risk." <http://www.btscreening.com/wp-content/uploads/2012/09/Screening-101.pdf>.

34. Finally, any employer may simply check the various Superior Court of California websites and conduct a party name search to uncover whether an applicant has previously filed litigation against their employer.

35. Plaintiff also risked personally owing a large cost award, which I estimate would be well into the tens of thousands of dollars, had the claims been unsuccessful.

36. Despite all the risks Plaintiff, at all times remained committed to securing a monetary recovery on behalf of the entire group of aggrieved employees.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 14th day of August , 2024 at San Diego, California.


Eric K. Yaeckel

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE

IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff, Jason Tracy ("Plaintiff"), for himself and on behalf of the State of California and all Private Attorneys General Act ("PAGA") Settlement Employees, and Defendants, Desert Auto Group IV, LLC, a California limited liability company, and Desert Auto Group, LLC, a California limited liability company ("Defendants") (collectively, the "Parties"), subject to the approval of the Court in accordance with California Labor Code section 2699(l)(2), that the Settlement of this Action shall be effectuated upon and subject to the terms and conditions below.

The Parties agree that the Action (as defined in Section I below) against Defendants shall be, upon approval by the Court, ended, settled, resolved, and concluded without any admission of fault or liability, as set forth in this Agreement and for the consideration set forth herein, including but not limited to a release of claims by Plaintiff and the PAGA Settlement Employees as set forth herein.

I. DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

- A. "Action" means the civil action, including the operative complaint, entitled *Tracy v. Desert Auto Group IV, LLC, et al.*, Case No. 37-2022-00045443-CU-OE-CTL, pending in the Superior Court of California, San Diego County.
- B. "Agreement" means this Settlement Agreement.
- C. "Approval Date" means the date the Court grants approval of this Agreement by signing and filing the Final Order.
- D. "Court" means the Superior Court of California, County of San Diego.
- E. "Defendants" means Desert Auto Group IV, LLC ("DAG IV"), a California limited liability company, and Desert Auto Group, LLC ("DAG"), a California limited liability company.
- F. "Defense Counsel" means:

Steven E. Boehmer (SBN 144817)
Matthew A. Thurmer (SBN 298523)
McDOUGAL BOEHMER FOLEY
LYON MITCHELL & ERICKSON
8100 La Mesa Blvd., Suite 200
La Mesa, CA 91942

- G. "Effective Date" means the date the Court has approved the Settlement.

- H. “Final Order” means the final Court order entered in this Action in accordance with the terms herein, the Court adopting and approving this Agreement (and the terms of Settlement described herein), dismissing the PAGA Claims with prejudice and the Court retaining jurisdiction over the enforcement, implementation, construction, administration, and interpretation of the Settlement pursuant to Civil Code section 664.6.
- I. “Individual Claims” means Plaintiff’s claims for monetary damages submitted on his own behalf based upon the following causes of action: (1) meal and rest period violations pursuant to Labor Code §2698 et seq.; (2) minimum wage violations pursuant to Labor Code §2698 et seq.; (3) overtime violations pursuant to Labor Code §2698 et seq.; (4) wage statement violations pursuant to Labor Code §2698 et seq.; (5) failure to reimburse pursuant to Labor Code §2698 et seq.; and (6) failure to pay wages upon separation pursuant to Labor Code §2698 et seq.
- J. “Individual Claims Payment” means the monetary sum disbursed from the Settlement Sum to settle the Individual Claims.
- K. “LWDA” means the State of California Labor and Workforce Development Agency.
- L. “Named Plaintiff” or “Plaintiff” means Jason Tracy.
- M. “PAGA” means the Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.*
- N. “PAGA Claims” means claims for PAGA penalties, pursuant to Labor Code section 2699 *et seq.* that: (1) arose or may be alleged to have arisen at any time from August 31, 2021, up to and including the Approval Date, and (2) are based on or arise from any and all violations of the Labor Code, including but not limited to, all claims for wages, overtime pay, pay for all time allegedly worked but not compensated, and all other claims of any kind for wages, penalties, interests, costs and attorneys’ fees arising from the alleged violation of any provision of common law, California law and/or Federal law which were or could have been raised in the Action, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 210, 218, 226, 226.7, 503, 510, 512, 551, 552, 558, 1182, 1194, 1197, 1198, 1199, and 2698 and Business and Professions code sections 17200 et seq.
- O. “PAGA Payment” is the net amount remaining after deduction of the Court-approved Individual Claims Payment, Enhanced Award, Claims Administration Fees, and Fee Amount (as defined in Section II.C.a-d below).
- P. “PAGA Settlement Employee(s)” means Plaintiff and all current and former non-exempt employees employed by Defendants at any time from August 31, 2021, through the Approval Date. There were approximately 55 such current and former employees as of on or about April 10, 2024, the date that the Parties participated in mediation.

Q. “Plaintiff’s Counsel” means:

Eric K. Yaeckel, Esq.
Ryan T. Kuhn, Esq.
Karoline D. Kitlowski, Esq.
SULLIVAN & YAECKEL LAW GROUP, APC
2330 Third Avenue
San Diego, CA 92101

- R. “Putative Aggrieved Employee(s)” means, with respect to the PAGA Claims, Plaintiff and all current and former non-exempt employees employed by Defendants at any time from August 31, 2021, through the Approval Date.
- S. “Putative Aggrieved Employee Penalty Payment” means the portion of the Settlement Sum that shall be paid to each PAGA Settlement Employee per the terms and conditions of this Agreement.
- T. “Released Parties” means Defendants and any and all subsidiaries of Defendants and each of their past, present, and future parents, affiliated companies, subsidiaries, divisions, predecessors, successors, partners, joint venturers, shareholders, consultants, advisors, insurers, reinsurers and assigns, and each of their past, present and future officers, investors, directors, executives, trustees, agents, employees, attorneys, representatives, benefit plans sponsored or administered by the Released Parties, and any other persons or entities acting on behalf of or in concert with any of the foregoing.
- U. “Settlement” means the Parties’ agreement, as detailed herein, to dispose of the Action as to Defendants.
- V. “Settlement Sum” means the total gross settlement amount of Eighty Thousand Dollars and Zero Cents (\$80,000.00) to be paid by Defendants as provided by this Agreement to fully and finally settle, resolve and conclude this Action as to Defendants, as provided under this Agreement, without any admission of fault or liability.

II. FACTUAL BACKGROUND

- A. On August 31, 2022, Plaintiff served a letter to the LWDA and Defendants (“PAGA Notice”), in accordance with the requirements of Labor Code section 2699.3(a), to notify the LWDA of alleged violations of the California Labor Code by Defendants arising from Plaintiff’s alleged employment with Defendants. The LWDA declined to investigate the alleged violations, permitting Plaintiff to initiate a PAGA action in court.
- B. On November 9, 2022, Plaintiff initiated the Action by filing a complaint in the Superior Court of California, County of San Diego, asserting the following causes of action against Defendants: (1) meal and rest period violations pursuant to Labor Code §2698 et seq.; (2) minimum wage violations pursuant to Labor Code §2698 et seq.; (3) overtime violations pursuant to Labor Code §2698 et seq.; (4) wage statement violations pursuant to Labor

Code §2698 et seq.; (5) failure to reimburse pursuant to Labor Code §2698 et seq.; and (6) failure to pay wages upon separation pursuant to Labor Code §2698 et seq.

- C. On April 10, 2024, the Parties participated in mediation and reached this Settlement after engaging in arms-length negotiations.
- D. This Agreement sets forth the terms and conditions of the resolution of all claims asserted in the Action, including the PAGA Claims asserted on behalf of the State of California and the PAGA Settlement Employees and the Individual Claims.
- E. The Parties engaged in a substantial exchange of documents and information during discovery and mediation. The Parties reached this Settlement only after extensive discovery and investigation were performed.
- F. The Settlement embodied in this Agreement is contingent on (i) issuance by the Court of a Final Order approving the Settlement, dismissing the Action with prejudice and retaining jurisdiction pursuant to Civil Code section 664.6, (ii) entry of the Final Order enforcing the terms of the Settlement, and retaining jurisdiction pursuant to Civil Code section 664.6 to ensure compliance with the Court's Final Order only, (iii) discharge of Defendants and the Released Parties from liability for all claims released by this Agreement, (iv) release of the PAGA Claims released by this Agreement against the Released Parties by Plaintiff, the State of California and all PAGA Settlement Employees, (v) submission of the Final Order by Plaintiff's Counsel to the LWDA within ten (10) days of entry of the Final Order pursuant to California Labor Code § 2699(1)(3), and (vi) all parties bearing their respective fees and costs except as expressly provided in this Agreement.
- G. Defendants dispute and deny Plaintiff's allegations and various causes of action asserted in the Action, including, without limitation, Plaintiff's Individual Claims and PAGA Claims, which are resolved by this Agreement.

III. IMPLEMENTATION OF SETTLEMENT

- A. Cooperation. The Parties will cooperate in seeking approval of the Settlement described in this Agreement. The Parties further agree to fully cooperate in the drafting and filing of any further documents or filings reasonably necessary to be prepared or filed, including responding to challenges by any third parties, and shall take all steps that may be requested by the Court relating to the approval and implementation of the Settlement described in this Agreement.
- B. Court Approval.
 - a. Because this Action includes PAGA Claims, this Agreement requires review and approval by the Court. *See* Cal. Lab. Code § 2699(1)(2). Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is expressly contingent upon the Court's approval of this Settlement and the terms and material conditions of this Agreement (including, but not limited to, issuance of and entry

of the Final Order in accordance therewith). If Court approval is not given and the Final Order is not entered, under the specific material terms requested, this entire Agreement shall automatically be deemed null and void *ab initio*, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever.

- b. Within five (5) business days after the execution of this Agreement, Plaintiff's Counsel shall prepare and file an *ex parte* application or other pleading for approval of the Settlement Agreement and an order approving this Agreement ("Petition for Approval"). If the Court does not grant the request for approval and issue the Final Order (including, but not limited to, dismissing the Action with prejudice in its entirety and retaining jurisdiction pursuant to Civil Code 664.6, and entering the Final Order in accordance with the terms and conditions of this Agreement), under substantially similar material terms the Parties agree to meet and confer to address the Court's concerns and determine whether resolution of the Action can be obtained in a manner consistent with the Court's concerns. However, under no circumstances may a modified settlement be entered by the Court without a written agreement signed by both Parties.
 - c. Plaintiff will fully cooperate to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties will cooperatively oppose any appeal filed with respect to the Final Order.
 - d. Plaintiff shall submit a copy of the Final Order in this Action and a copy of any other order providing for or denying an award of civil penalties within ten (10) days after entry of the Final Order, in compliance with section 2699(1)(3) of the California Labor Code. If Plaintiff fails to satisfy this condition in strict compliance with section 2699(1)(3) of the California Labor Code, the Settlement shall be voidable at either Defendant's option and all parties will be returned to their litigation positions as of April 10, 2024, the date of the Parties' mediation.
- C. Settlement Sum. In exchange for the releases, obligations, and promises set forth in this Agreement (and subject to the terms and conditions contained in this Agreement), Defendants agree to pay the Settlement Sum, which is the total and all-inclusive amount Defendants will be obligated to pay under the Settlement embodied by this Agreement. Under no circumstances shall the Settlement Sum exceed \$80,000.00, inclusive of attorneys' fees and costs. Other than payment of that portion of the Settlement Sum specifically allocated to settle the PAGA Claims, there shall be no PAGA Claim payments arising out of or related to Putative Aggrieved Employees' allegations for the time period from August 31, 2021, up to and including the date the Court enters the Final Order asserted against Defendants or any of the Released Parties on behalf of Plaintiff, the State of California, any PAGA Settlement Employee, or any other individual or entity. The Settlement Sum shall be allocated as follows:

- a. Individual Claims Payment: Plaintiff for his own direct lost wages, damages, and interest is to recover the amount of \$10,000.00.
- b. Enhanced Award: Plaintiff, as the PAGA representative, is to recover an enhancement award not to exceed the amount of \$5,000.00 (“Enhanced Award”).
- c. Claims Administration Fees: All Claims Administration expenses shall be paid from the Settlement Sum. Claims Administration expenses paid to an outside Claims Administration service must come out of the Settlement Sum. The Parties agree to retain Phoenix Class Administration Solutions (“Claims Administrator”) to serve as the Claims Administrator in this matter. The estimated cost is \$2,750.00 (“Claims Administration Fees”).
- d. Attorneys’ Fees and Costs: Out of the Settlement Sum, Plaintiff’s Counsel will receive attorneys’ fees and reimbursement of costs (“Fee Amount”) in the amount equal to up to one third (1/3) of the Settlement Sum plus actual costs of litigation pursuant to PAGA, which provides for the recovery of attorneys’ fees and costs. Should the Court award a lesser sum for attorneys’ fees and costs, the residual will be included in the PAGA Payment. Any modification of the Fee Amount by the Court shall not (i) affect the enforceability of the Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement Agreement, or (iii) impose any obligation on Defendants to increase the consideration paid in connection with the Settlement. Plaintiff’s Counsel’s entitlement to fees and costs is a material condition of this Settlement, but the Fee Amount awarded is not. Plaintiff may appeal the fee amount awarded by the Court.

Plaintiff’s Counsel will petition the Court for their attorneys’ fees and costs. Defendants will not oppose a fee request of up to one third (1/3) of the Settlement Sum plus actual costs of litigation.

- e. PAGA Payment: The total sum available for payment of PAGA penalties shall be calculated by deducting the Individual Claims Payment, Enhanced Award, Claims Administration Fees, and Fee Amount from the \$80,000.00 Settlement Sum (this will yield the “Net Settlement Amount”). Of the Net Settlement Amount, for each PAGA Settlement Employee, seventy-five percent (75%) of his or her allocated share of the Net Settlement Amount shall be distributed to the LWDA (“LWDA Penalty Payment”) and the remaining twenty-five percent (25%) shall be distributed to the PAGA Settlement Employees (“Putative Aggrieved Employee Penalty Payment”) on a pro-rata basis based on the number of pay periods they worked during the PAGA Period.

The “Putative Aggrieved Employee Penalty Payment” for each PAGA Settlement Employee shall be determined based on a formula taking into account the number of each PAGA Settlement Employee’s “Pay Periods.” A “Pay Period” shall be defined as any instance when a Putative Aggrieved Employee received a wage statement between August 31, 2021, and the Approval Date.

The amount paid to each PAGA Settlement Employee will be determined as follows: The Net Settlement Amount will be divided by the total number of Pay Periods for all PAGA Settlement Employees during the relevant time period (August 31, 2021, up to and including the Approval Date) ("Pay Period Amount"). Each PAGA Settlement Employee will then be paid an amount equal to the Pay Period Amount multiplied by that PAGA Settlement Employee's total number of Pay Periods.

Plaintiff will also be eligible for the Putative Aggrieved Employee Penalty Payment as PAGA Settlement Employee.

Defendants shall be responsible for providing all of the Pay Periods information and calculations necessary for Defendants to determine the Putative Aggrieved Employee Penalty Payment for each PAGA Settlement Employee.

D. Funding and Distribution Process.

- a. Within ten (10) business days after the Effective Date and Defense Counsel's receipt of (i) Form W-9s completed by Plaintiff and Plaintiff's Counsel and (ii) a fully executed Request for Dismissal with prejudice of the Action as to all parties and all causes of action pursuant to Section V.D below (not to be filed until after Plaintiff's Counsel confirms receipt of the checks for the Individual Claims Payment, Enhanced Award, and Fee Amount), Defendants will transmit to the Claims Administrator the Settlement Sum and provide to the Claims Administrator the list of "Aggrieved Employees," defined as non-exempt employees who worked at any time between August 31, 2021, and the Approval Date. Within ten (10) business days after transmitting the Settlement Sum to the Claims Administrator, Defendants shall give written notice to Plaintiff's Counsel that Defendants have satisfied their obligation to transmit the Settlement Sum to the Claims Administrator. This transmittal and notice wholly satisfies Defendants' obligations with respect to the funding and disbursement process.
- b. Within ten (10) business days of receipt of the Settlement Sum, the Claims Administrator shall issue checks made payable to (i) Jason Tracy for the for the Individual Claims Payment and Enhanced Award and (ii) Sullivan & Yaeckel Law Group, APC, for the Fee Amount. Said checks are to be mailed to Jason Tracy, c/o 2330 Third Avenue, San Diego, CA 92101.
- c. Within ten (10) business days of receipt of the Settlement Sum, the Claims Administrator will disburse Putative Aggrieved Employee Penalty Payments to each PAGA Settlement Employee to the last known physical address on file with Defendants in their regularly maintained records. PAGA Settlement Employees who receive their Putative Aggrieved Employee Penalty Payments via U.S. Mail will receive a letter along with their Putative Aggrieved Employee Penalty Payment explaining the reason for the payment, the content of which will be agreed

upon by the Parties. Such mailing as described in this paragraph shall be conclusive evidence of payment of the Putative Aggrieved Employee Penalty Payments and shall satisfy any and all due process requirements. All funds not claimed within 180 days of mailing of payment shall be sent to the California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each PAGA Settlement Employee. If any PAGA Settlement Employee's check is not cashed within 120 days after mailing, the Settlement Administrator will send the PAGA Settlement Employee a letter or postcard informing him or her that unless the check is cashed in the next 60 days, it will expire and become non-negotiable. The letter or postcard will also offer to replace the check if it was lost and not cashed.

- d. Within ten (10) business days of receipt of the Settlement Sum, the Claims Administrator shall send a check to the LWDA for the LWDA Penalty Payment in the amount calculated pursuant to the terms of this Settlement, along with a copy of the Final Order, and any other documents required pursuant to California Labor Code section 2699(1).
- e. Within 300 days the Claims Administrator shall provide Plaintiff's Counsel and Defense Counsel and file with the Court a declaration describing how many checks were mailed to the Aggrieved Employees, how many checks were cashed, and for how many employees was money deposited with the State Controller's Office for Unclaimed Property Fund.

E. No Additional Contribution by Defendant.

- a. Defendants' monetary obligation under this Agreement is limited to the Settlement Sum. Defendants shall not be required to pay more than the Settlement Sum to obtain the relief (including, but not limited to, the Settlement, releases of claims and, issuance of the Final Order) provided in this Agreement or to fully and finally settle and resolve the Individual Claims and the PAGA Claims.
- b. Notwithstanding the above, in the event that this Agreement is voided or nullified, in whole or in part, however that may occur, or the Settlement of the Action is barred by operation of law, or invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants will cease to have any obligation to pay any portion of the Settlement Sum to anyone under the terms of this Agreement.

F. Taxes.

- a. The Individual Claims Payment and Enhanced Award constitute payment for non-wages, shall be reported on an IRS Form 1099, and shall not be subject to local, state or federal tax withholdings by Defendants. The Putative Aggrieved Employee Penalty Payments are penalties and shall be reported on an IRS Form 1099 (to the extent required by law), and will not be subject to local, state, or federal tax withholdings. Plaintiff and each PAGA Settlement Employee will be responsible for paying all applicable state, local, and federal income taxes on their respective amounts received

pursuant to this Settlement, and they shall not seek any indemnification from Defendants or the Released Parties in this regard. Plaintiff and Plaintiff's Counsel shall cooperate with Defendants and provide documentation to the extent possible and as reasonably requested to demonstrate any payment of taxes made by Plaintiff and/or any PAGA Settlement Employee should any taxing authority challenge the allocation of the Individual Claims Payment, Enhanced Award, and/or Putative Aggrieved Employee Penalty Payments.

- b. In the event any taxing authority asserts that the characterization of Plaintiff's Settlement payments hereunder are inappropriate and/or Plaintiff fails to pay any tax liability resulting from the payments made hereunder, and Defendants are made to pay any taxes, settlements, interest, penalties, and/or other sums (hereinafter collectively referred to as "Tax Payments") to a taxing authority as a result of the payments made to Plaintiff, Plaintiff shall fully indemnify and reimburse Defendants for any and all such Tax Payments upon demand and reasonable verification of sums paid.

IV. ADMISSIONS, EVIDENTIARY USE, AND NULLIFICATION

- A. No Admission. Defendants dispute that Plaintiff or any PAGA Settlement Employee is entitled to any additional wages other than those already paid and/or any penalties, dispute the allegations and each and every cause of action in the Action, and dispute that the Action may be maintained on a class, collective, or representative basis. This Agreement is entered into solely for the purpose of compromising highly disputed claims. This Agreement and the payment of the Settlement Sum and the other considerations recited herein represent the compromise of disputed claims. Nothing in this Agreement is intended as or may be construed as an admission of liability, unlawful conduct, or wrongdoing by Defendants (and any of the Released Parties) in any way, shape or form, and Defendants and the Released Parties deny any such liability or wrongdoing.
- B. Non-Evidentiary Use. Except for purposes of effectuating the Settlement pursuant to this Agreement and for Defendants (and/or a Released Party) to establish that a PAGA Settlement Employee has resolved any of his/her claims released through this Agreement, and regardless of whether the Final Order occurs, neither this Agreement nor any of its terms (including, but not limited to, the payment of the Settlement Sum) nor the Settlement itself will be construed as, offered, or admitted in evidence as, received as, or deemed to be evidence, in any further proceeding in the Action, or any other civil, criminal, and/or administrative action or proceeding, for any purpose adverse to Defendants or any of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by Defendants or any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage.
- C. Nullification. If (a) the Court should for any reason fail to approve this Settlement consistent with the material specific terms agreed to by the Parties and set forth herein, (b) the Court should for any reason fail to enter the Final Order, or (c) the Final Order is reversed, modified, or declared or rendered void, then this Agreement shall automatically

be considered null and void *ab initio*. An example of a material change in the terms includes a change in the economic terms of the settlement.

In that instance, (i) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (ii) all Parties to this Agreement and the pleadings in this Action shall stand in the same position they were the day prior to the April 10, 2024, mediation in this Action, without prejudice to either Party; and (iii) Defendants will not have any obligation to pay any portion of the Settlement Sum to anyone under the terms of this. If this Agreement is invalidated through any proceeding within the Agreement, Plaintiff will return any disbursements from the Settlement Sum under his or his counsel's control to Defendants.

Invalidation of any material portion of this Agreement shall invalidate this Agreement in its entirety, unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

V. RELEASE, WAIVER OF CLAIMS, AND DISMISSAL

A. Individual Claims Payment and Release. Defendants have agreed to make a payment to Plaintiff in the amount of \$15,000.00, which will be deducted from the Settlement Sum. Defendants have agreed to make the Individual Claims Payment and Enhanced Award to Plaintiff in exchange for the general release of the Individual Claims. In consideration of the Individual Claims Payment made to Plaintiff, Plaintiff, and his successors, assigns, former and present employees, agents and attorneys, both in their individual and representative capacities, hereby fully, finally, and forever waive, release, relinquish, and discharge Defendants and the Released Parties for all demands, liabilities, and causes of action of any kind, whether known or unknown, arising out of the Action and the Individual Claims.

a. California Civil Code Section 1542 Waiver. Plaintiff expressly acknowledges and agrees that all rights under Section 1542 of the California Civil Code are expressly waived. That statute reads as follows:

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

b. Plaintiff certifies that he has read all this Agreement, including the release provisions contained herein and the cited and quoted Civil Code section, and that he fully understands and accepts all the same. Plaintiff expressly agrees that this Agreement shall extend and apply to all unknown, unsuspected, and unanticipated injuries and damages, as well as those that are now disclosed.

- B. PAGA Settlement Employees Release. Upon entry of the Final Order, Plaintiff, all PAGA Settlement Employees, and the State of California shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged Defendants and each and all the Released Parties from any and all PAGA Claims as defined herein that arose from Plaintiffs PAGA Notice and operative complaint in this Action for the period of August 31, 2021, up to and including the Approval Date.
- C. No Attorneys' Fees or Costs. Except as expressly provided in this Agreement, the Parties agree to bear their own attorneys' fees and costs related to this Action, and Plaintiff's Counsel waives any and all rights to further attorneys' fees and costs from Defendants in connection with this Action.
- D. Dismissal With Prejudice. Within five (5) business days after the Effective Date, Plaintiff shall provide Defense Counsel a fully executed Request for Dismissal with prejudice of the Action as to all parties and all causes of action. Defense Counsel will maintain custody of the original fully executed Request for Dismissal and will not file the Request for Dismissal until after Plaintiff's Counsel confirms receipt of the checks for the Individual Claims Payment, Enhanced Award, and Fee Amount, and notice from Defendants that Defendants have satisfied their obligations pursuant to this Agreement. Thereafter, Defense Counsel shall have the authority to immediately file the Request for Dismissal with prejudice with the Court.

VI. MISCELLANEOUS PROVISIONS

- A. LWDA Notice. Plaintiff shall give notice of this Settlement to the LWDA pursuant to Cal. Lab. Code §2699(1)(2). Plaintiff will serve a copy of this Agreement to the LWDA on the same day the Settlement is filed with the Court. Additionally, Plaintiff shall submit a copy of the Court's Final Order to the LWDA within ten (10) days after entry of the Final Order, pursuant to California Labor Code §2699(1)(3).
- B. PAGA Settlement Employees Data. All data, if any, regarding the number of PAGA Settlement Employees and total Pay Periods, and other similar settlement metrics will be filed by Defendants under seal to the extent necessary and permitted under governing legal standards for filing materials under seal.
- C. Voluntariness. This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.
- D. Amendments. The terms and provisions of this Agreement may be amended or modified only by an express written agreement that is signed by the Plaintiff and an authorized representative of Defendants.
- E. Assignment. None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Plaintiff's Counsel, or Defense Counsel without the express written consent of each Party. Plaintiff expressly warrants that he has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

- F. Representation and Warranties. Plaintiff's Counsel and Plaintiff jointly and severally represent and warrant to Defendants that there are no attorneys beyond those named as Plaintiff's Counsel who have claims for fees arising out of the Action or the Settlement contemplated hereby.
- G. Governing Law. This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.
- H. Entire Agreement. This Agreement contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the subject matter hereof, including, without limitation, the Memorandum of Understanding executed by the Parties, which is incorporated herein by reference, but to the extent any of the terms of the Memorandum of Understanding is inconsistent with this Agreement, it is superseded by this Agreement, and this Agreement controls.
- I. Waiver of Compliance. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.
- J. Counterparts. This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or its/their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. A fax or PDF signature on this Agreement shall be as valid as an original signature.
- K. Meet and Confer Regarding Dispute(s). Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, Plaintiff's Counsel and Defense Counsel shall meet and confer in an attempt to resolve such dispute(s).

The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the terms set forth herein. The Parties' counsels can agree to non-material changes to this Settlement Agreement and the Parties agree to act in good faith to address any concerns raised by the Court in connection with the approval hearing.

- L. Agreement Binding on Successors. This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal

representatives.

- M. Cooperation in Drafting. The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.
- N. Fair Settlement. Plaintiff, Defendants, Plaintiff's Counsel, and Defense Counsel believe that this Agreement reflects a fair, reasonable, and adequate settlement of the Action as to Defendants and have arrived at this Agreement through arms' length negotiation, taking into account all relevant factors, current and potential, and is consistent with public policy, and fully complies with applicable provisions of law.
- O. 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 and shall not be considered in interpreting this Agreement.
- P. Continuing Jurisdiction. The Parties agree that upon the occurrence of the Final Order pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and the PAGA Settlement Employees to the fullest extent to interpret, enforce and effectuate the terms, conditions, intents and obligations of the Agreement.
- Q. No Reliance on Representations. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other Parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters. No representations, warranties, or inducements have been made to any Party concerning this Agreement.
- R. Confidentiality/Public Statements.
 - a. This Settlement and Agreement shall remain confidential in every respect until the Petition for Approval (as defined above in Section III.B.b.) is filed with the Court.
 - b. Plaintiff and Plaintiff's Counsel will not (a) issue any press or other media release, (b) initiate any contact with the press, other media (including social media), or any third party, (c) respond to any inquiry from the press, or media, or (d) have any communication with the press or other media about the Action, including, but not limited to the fact, amount, and terms of the Settlement, either before or after the Court approves this Agreement.
 - c. After the filing of the Petition for Approval, Plaintiff's Counsel agrees to limit any discussion of this case and the Settlement Agreement to reference only information that is contained in the Notice to be sent to the PAGA Settlement Employees, as well as

publicly available information about the case (and summaries of same) and the settlement to be posted on Plaintiffs Counsel's website in order to provide additional information to the PAGA Settlement Employees. Plaintiff's Counsel further agrees to provide Defendants' Counsel with a copy of any information specifically referencing this case that will be posted on their website seven days in advance of any such posting, and that such website will be taken down upon conclusion of the case. Plaintiff's Counsel also has the right to respond to inquiries from PAGA Settlement Employees. This section shall not preclude Defendants from sharing the details of this Settlement with opposing counsel in other pending and/or future class and putative class, collective and PAGA actions, as well as mediators and their staff, provided any such disclosure is expressly designated as a "Confidential Settlement Communication."

d. To the extent additional limited public disclosures are required to effectuate the Settlement or to notify the court or parties in any pending, related proceeding, such limited and necessary details may be revealed with the consent of all Parties. However, any such disclosures shall not constitute a waiver of confidentiality with respect to any information not publicly disclosed.

S. No Collateral Attack. The Parties agree that this Agreement may not be subject to collateral attack by any PAGA Settlement Employee or the State of California prior to or after entry of the Final Order, to the fullest extent permitted by law.

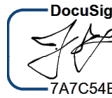
T. Defendant represents that, as of April 1, 2024, there were approximately 55 PAGA Settlement Employees. This is a material term of settlement.

U. Defendant represents that its business is solvent, and Defendant is able to pay the Settlement Amount within the time frame set forth herein. Defendant further affirms that it has not consulted or retained bankruptcy counsel or has contemplated a bankruptcy filing as of the date of this Agreement.

IN WITNESS WHEREOF, the Parties knowingly and voluntarily executed this Settlement Agreement and Release as of the dates set forth below.

7/31/2024

DATED: June _____, 2024

DocuSigned by:

7A7C54ED57CF4F1...

Jason Tracy, an individual

DATED: June 26, 2024

Catherine Manten

Desert Auto Group IV, LLC,
a California limited liability company
By: Catherine Manten
Its: Chief Administrative Officer

DATED: June 27, 2024

Desert Auto Group, LLC,
a California limited liability
company By: Catherine Manten
Its: Chief Administrative Officer

APPROVED AS TO FORM:

7/31/24
DATED: June _____, 2024

SULLIVAN & YAECKEL LAW GROUP, APC

Eric Yaeckel

By: _____
Eric K. Yaeckel
Ryan T. Kuhn
Karoline D. Kitlowski
Attorneys for Plaintiff, Jason Tracy

DATED: June 27, 2024

MCDUGAL BOEHMER FOLEY
LYON MITCHELL & ERICKSON

By: _____
Steven E. Boehmer
Matthew A. Thurmer
Attorneys for Defendants, Desert Auto Group IV,
LLC, a California limited liability company, and
Desert Auto Group, LLC, a California limited
liability company

DATED: June 27, 2024



Desert Auto Group, LLC,
a California limited liability
company By: Catherine Manten
Its: Chief Administrative Officer

APPROVED AS TO FORM:

DATED: June _____, 2024

SULLIVAN & YAECKEL LAW GROUP, APC

By: _____

Eric K. Yaeckel
Ryan T. Kuhn
Karoline D. Kitlowski
Attorneys for Plaintiff, Jason Tracy

DATED: June _____, 2024

MCDUGAL BOEHMER FOLEY
LYON MITCHELL & ERICKSON

By: _____

Steven E. Boehmer
Matthew A. Thurmer
Attorneys for Defendants, Desert Auto Group IV,
LLC, a California limited liability company, and
Desert Auto Group, LLC, a California limited
liability company

EXHIBIT 2

LAFFEY MATRIX

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			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375

6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363
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The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $\frac{1}{2}$ Years Out of Law School $\frac{1}{2}$ is calculated from June 1 of each year, when most law students graduate. $\frac{1}{2}$ 1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $\frac{1}{2}$ 4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $\frac{1}{2}$ 1-3" from June 1, 1996 until May 31, 1999, would move into tier $\frac{1}{2}$ 4-7" on June 1, 1999, and tier $\frac{1}{2}$ 8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT 3

Knox	\$590.72	
One Legal	\$461.16	
LWDA	\$75.00	
Judicate West	\$5,325.00	
Imagine Court Reporting	\$450.00	
beenVerified	\$4.95	
SD County Court	\$33.00	
Postage	\$39.97	
Mileage	\$227.55	
Legal Research	\$795.00	
copies	\$275.15	
Subtotal	\$8,277.50	4/2/2024

<u>2nd Suptotal</u>	\$8,277.50	
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EXHIBIT 4

NOTICE OF PAGA SETTLEMENT

Tracy v. Desert Auto Group IV, LLC et al.

Superior Court of California for the County of San Diego, Case No. 37-2022-00045443-CU-OE-CTL

SIMID «SIMID»
«FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

You are receiving this Notice as a result of a lawsuit brought on a representative basis under the Private Attorneys General Act, California Labor Code § 2698 *et seq.* (“PAGA”) (“the Action”). The Action was brought Plaintiff is Jason Tracy (“Plaintiff”), against Defendants DESERT AUTO GROUP IV, LLC and DESERT AUTO GROUP, LLC (“Defendants”) on behalf of the State of California and other allegedly aggrieved employees who worked for Defendants in California from August 31, 2021 through [date of settlement approval].

Plaintiff alleged that Defendants owed civil penalties under PAGA for alleged violations of the California Labor Code. The parties reached a settlement of Plaintiff’s claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalties to be paid under the settlement goes to the State of California’s Labor and Workforce Development Agency, and another portion goes to the allegedly aggrieved employees. In agreeing to this settlement, Defendants do not admit that it is liable in any way to the State of California and/or the allegedly aggrieved employees. Defendants expressly denies all claims and allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. In approving the settlement, the Court did not decide the merits of Plaintiff’s claims.

The settlement consists of a Gross Settlement Amount of \$80,000.00. The Court has awarded the following amounts to be paid out of that Gross Settlement Amount: (1) an award of attorneys fees in the amount of \$26,666.67; (2) costs of litigation reimbursement in the amount of \$8,277.50; (3) costs of settlement administration fees in the amount of \$2,750.00; and (4) Plaintiff’s Representative Enhancement Award for serving as the named Plaintiff, and executing a full release of claims, in the amount of \$10,000.00.

Following the award of the above contingent costs, there will be a Net Settlement Amount of \$27,305.83 which will be the total PAGA penalty. 75% of this amount (\$20,479.37) will be paid to the California Labor and Workforce Development Agency. The remaining 25% (\$6,826.46) will be paid between all of the allegedly aggrieved employees. Your enclosed share is calculated based on the total number of pay periods you worked during the PAGA Period, which is from August 31, 2021 through [date of settlement approval].

According to the Defendants’ records, you have been identified as one of the employees on whose behalf this case was brought. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties based upon the Court approved allocation. This check will remain valid for 180 days from the date of issuance.

While you were not a party of the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under PAGA that were alleged in the Action, including claims for civil penalties for alleged violations of the California Labor Code governing meal and rest periods, unpaid minimum and overtime wages, itemized wage statements, business expense reimbursement, and final pay requirements. You will bound by the release of PAGA claims in the Action, even if you do not cash the enclosed check.

Please Note: One hundred percent (100%) of your portion of the civil penalties under this settlement will be considered penalties and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your portion of the settlement. Neither Plaintiff nor Defendants have made any representations or warranties regarding the taxation of your portion of the settlement. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process. If you have any questions, you may call or write to the Settlement Administrator using the contact information at the top of this correspondence.