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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN OF JOAQUIN—UNLIMITED JURISDICTION

CORY WALKER, Individually and on
Behalf of Others Similarly Situated,

Plaintiff,

vs.

AUTO BRAKES, INC.; BRAKE
MASTERS of SACRAMENTO, INC.; and
DOES 1-50, inclusive,

Defendants.

Case No.: STK-CV-UOE-2022-7517

CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE

CLASS ACTION SETTLEMENT AND RELEASE

This Class Action and PAGA Settlement Agreement and Release (“Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiff Cory Walker (“Plaintiff” or “Named Plaintiff”), on behalf of himself, the Settlement Class, as defined below, the State of California, and the PAGA Settlement Members, as defined below, on the one hand, and Defendants Auto Brakes, Inc. and Brake Masters of Sacramento, Inc. (“Defendants”) on the other.

Named Plaintiffs and Defendants (collectively, the “Parties”) enter into this Agreement to effectuate a full and final settlement and preclusive judgment resolving completely and to the fullest extent permitted by law the Released Class Claims and Released PAGA Claims, as defined below, and brought against Defendants in *Cory Walker v. Auto Brakes, Inc., et al.* (Case No. STK-CV-UOE-2022-7517) in the Superior Court of the State of California, County of San Joaquin. This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the Released Class Claims and Released PAGA Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. RECITALS

WHEREAS, on August 25, 2022, Plaintiff filed a putative class action in San Joaquin county various wage-and-hour violations and asserting individual claims for alleged violations of the Labor Code, Business and Professions Code, and common law in the matter *Walker v. Auto Brakes, Inc. et al.*, San Joaquin County Superior Court Case No. STK-CV-2022-7517 (the “Action”);

WHEREAS, on November 3, 2022, Plaintiff amended his complaint to add claims under the Private Attorneys General Act, codified in California Labor Code §§ 2698 *et seq.*, (“PAGA”);

WHEREAS, on January 3, 2024, the Parties attended a mediation session with experienced professional mediator Daniel Quinn, Esq., and, in preparation for mediation, engaged in written discovery and informal exchanges of information, documents, and data, which enabled a thorough evaluation of the claims, and the likely outcomes, risks, and expense of pursuing litigation;

WHEREAS, on January 9, 2024, the Parties reached an agreement in principle to resolve the Action;

1 WHEREAS, the Parties desire to fully, finally, and forever settle, compromise, and discharge
2 all disputes and claims that exist between them arising from the factual allegations that underlie the
3 Action concerning any and all claims asserted therein, including:

4 Plaintiff's class claims for: (1) failure to pay minimum wage in violation of Labor Code sections
5 1194, 1197, 1198 and the applicable IWC Wage Order(s); (2) failure to pay overtime under California
6 Labor Code §§ 510, 1194, 1198 and the applicable IWC Wage Order(s), (3) failure to furnish compliant
7 meal periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (4)
8 failure to furnish compliant rest periods in violation of Labor Code §§ 226.7, 512, and the applicable
9 IWC Wage Order(s); (5) failure to pay wages due at cessation of employment in violation of Labor
10 Code §§ 201-202; (6) failure to furnish accurate wage statements in violation of California Labor Code
11 § 226(a); and (7) unlawful business practices under Unfair Competition Law including Business and
12 Professions Code sections 17200 *et seq.*

13 Plaintiff's PAGA claims for: (1) failure to pay minimum wage in violation of Labor Code
14 sections 1194, 1197, 1198 and the applicable IWC Wage Order(s); (2) failure to pay overtime under
15 California Labor Code §§ 510, 1194, 1198 and the applicable IWC Wage Order(s), (3) failure to furnish
16 compliant meal periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage
17 Order(s); (4) failure to furnish compliant rest periods in violation of Labor Code §§ 226.7, 512, and the
18 applicable IWC Wage Order(s); (5) failure to pay wages due at cessation of employment in violation
19 of Labor Code §§ 201-202; (6) failure to furnish accurate wage statements in violation of California
20 Labor Code § 226(a); (7) failure to reimburse business expenses in violation of Labor Code section
21 2802; and

22 Plaintiff's individual claims for: (1) retaliation in violation of Labor Code §§ 98.6 and 1102.5;
23 and (2) wrongful termination in violation of public policy.

24 To achieve a full and complete release of the claims against Defendants (and the "Released
25 Parties" as defined in this Agreement), the Plaintiff and Participating Settlement Class Members, as
26 defined in this Agreement (which include any legal heirs and/or successors-in-interest of all
27 Participating Settlement Class Members), through execution of the Agreement, acknowledge that this
28

Settlement Agreement is intended to include in its effect the entirety of the Released Claims, as more fully described in Paragraphs 28, 29, and 62 of this Agreement.

II. DEFINITIONS

In addition to the terms defined elsewhere in this Settlement Agreement, capitalized terms used in this Settlement Agreement shall have the meanings set forth below:

1. “Action” means *Walker v. Auto Brakes, Inc., et al.* (Case No. STK-CV-UOE-2022-7517).

2. “Attorneys’ Fees and Costs” means attorneys’ fees sought by Class Counsel for litigation and resolution of the Action, and all reasonable costs incurred by Class Counsel in the Action as outlined in this Agreement. Subject to review and approval by the Court, Class Counsel has indicated that they intend to seek attorneys’ fees of not more than one third (1/3) of the Gross Settlement Fund, or Sixty-Six Thousand, Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$66,666.67) plus reasonable costs and expenses in an amount not to exceed Eight Thousand Dollars (\$8,000.00), which shall be paid from the Gross Settlement Fund.

3. “Class Counsel” means and includes William J. Gorham, III, Robert J. Wassermann, and Vladimir J. Kozina of Mayall Hurley, P.C.

4. “Class Counsel Award” means any attorneys’ fees, expenses, or costs awarded to Class Counsel by the Court.

5. “Class List” means a confidential list of all Settlement Class Members and PAGA Settlement Members that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator within thirty (30) calendar days after entry of an order granting Preliminary Approval of this Settlement. The Class List will include, to the extent available from Defendants’ records, each Class Member’s full name; most recent mailing address, and telephone number contained in Defendants’ personnel records; Social Security number; dates of employment; the number of “weeks worked” or “workweeks” that each Class Member worked during the Class Period according to Defendants’ records; and any other information needed to calculate Individual Settlement Payments. The data provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to

1 Defendants' express written consent, by order of the Court, or to carry out the reasonable steps
2 described in this Settlement to locate missing Settlement Class Members. The data provided to the
3 Settlement Administrator will not be shared with Class Counsel.

4 6. "Class Period" means the period from April 8, 2019, through January 3, 2024.

5 7. "Class Representative Enhancement Payment" means the amounts to be paid to
6 Plaintiff, subject to final approval by the Court, in recognition of his effort and work in prosecuting the
7 Action on behalf of Settlement Class Members, and for his general release of claims under Civil Code
8 section 1542. Subject to the Court granting final approval of this Settlement Agreement and subject to
9 the exhaustion of any and all appeals, Plaintiff has stated that he will request Court approval of a Class
10 Representative Enhancement Payment of Seven Thousand Five Hundred Dollars (\$7,500.00).

11 8. "Court" means the Superior Court of California for the County of San Joaquin.

12 9. "Defendants" mean Auto Brakes, Inc. and Brake Masters of Sacramento, Inc.

13 10. "Effective Date" means the later of: (i) if no timely objections are filed, or if filed, are
14 withdrawn prior to final approval, the date upon which the Court enters an order granting Final
15 Approval of the Settlement Agreement; or (ii) if timely objections are filed and not withdrawn, then
16 either five (5) calendar days from the final resolution of any appeals timely filed or the expiration date
17 of the time for filing or noticing any such appeals, provided that the Settlement is finally approved
18 without material modification.

19 11. "Final Approval" means the entry of an order that the Named Plaintiffs and Defendants
20 will jointly seek from the Court, and the entry of which shall reflect the Court's Judgment finally
21 approving the Settlement Agreement.

22 12. "Final Approval Hearing" means the hearing that is to take place after the entry of the
23 Preliminary Approval Order and after the date the Settlement Administrator sends Notice Packets to
24 Settlement Class Members for purposes of: (i) entering Final Approval; (ii) determining whether the
25 Settlement Agreement shall be approved as fair, reasonable, and adequate; and (iii) ruling upon an
26 application by Class Counsel for Attorneys' Fees and Costs and Named Plaintiffs' Class Representative
27 Enhancement Payments.

28 13. "Funding Date" means thirty (30) calendar days after the Effective Date.

14. “Gross Settlement Fund” means the non-reversionary amount of Two Hundred Thousand Dollars (\$200,000.00), to be paid by Defendants in full satisfaction of all Released Claims, which includes all Individual Settlement Payments to Participating Settlement Class Members, Participating Settlement Class Members’ shares of applicable payroll tax payments (including FICA, FUTA, and SDI contributions), the Class Representative Enhancement Payment to Plaintiff, the PAGA Settlement Amount for release of all PAGA claims, Attorneys’ Fees and Costs, and Settlement Administration Costs. In addition to the amount provided as part of the Gross Settlement Fund, Defendants agree to pay the employer’s share of applicable payroll tax payments (“Employer’s Payroll Tax Payments”). Other than the Employer’s Payroll Tax Payments, in no event will Defendants be liable in the Action for more than the Gross Settlement Fund set forth in this Paragraph, except as to the settlement of Plaintiff’s individual claims.

15. “Individual Settlement Payment” means each Participating Settlement Class Member’s respective share of the Net Settlement Amount.

16. “Individual PAGA Payment” means each PAGA Settlement Member’s respective share of the 25% of the PAGA Settlement Amount allocated to PAGA Settlement Members.

17. “Named Plaintiff” means Cory Walker.

18. “Net Settlement Amount” means the portion of the Gross Settlement Fund remaining after deducting the Class Representative Enhancement Payment, the Class Counsel Award, Settlement Administration Costs, and the PAGA Settlement Amount. The entirety of the Net Settlement Amount will be distributed to Participating Settlement Class Members pro rata, on a per “weeks worked” or “workweek” basis. Participating Settlement Class Members whose employment has ended will be credited an additional four (4) weeks worked for purposes of calculating their pro rata share of the Net Settlement Amount. There will be no reversion of the Net Settlement Amount to Defendants.

19. “Notice of Objection” means a Settlement Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector’s full name, address, and signature; (ii) the case name and case number; (iii) a written statement of the grounds for the objection; and (iv) a statement whether the objector intends to appear at the Final Approval Hearing. Unless the Court orders otherwise, any Settlement Class Member who

1 does not submit a timely written objection to the Settlement, who fails to appear at the Final Approval
2 Hearing to lodge his or her objection, or who fails to otherwise comply with the requirements of this
3 Paragraph, will be foreclosed from objecting to the Settlement and seeking any adjudication or review
4 of the Settlement, by appeal or otherwise.

5 20. "Notice Packet" or "Class Notice" means the Notice of Class Action Settlement,
6 substantially in the form attached as **Exhibit A**.

7 21. "PAGA Period" means the period from August 17, 2021, through January 3, 2024.

8 22. "PAGA Settlement Amount" means the amount that the Parties agree to allocate to the
9 PAGA Settlement Members and the California Labor and Workforce Development Agency ("LWDA")
10 in connection with resolution of the PAGA claims in the Action. The Parties agree that Ten Thousand
11 Dollars (\$10,000.00) of the Gross Settlement Fund will be allocated to the resolution of PAGA
12 Settlement Members' claims arising under PAGA. As required by PAGA, Seventy-Five Percent
13 (75%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement Amount will
14 be paid to the LWDA ("LWDA Payment"), and Twenty-Five Percent (25%), or Two Thousand, Five
15 Hundred Dollars (\$2,500.00), of the PAGA Settlement Amount will be distributed to PAGA Settlement
16 Members on a pro rata basis based on their respective number of "weeks worked" or "workweeks"
17 during the PAGA Period.

18 23. "PAGA Settlement Members" means all non-exempt technicians employed by Brake
19 Masters of Sacramento, Inc. in California during the PAGA Period.

20 24. "Participating Settlement Class Members" means all Settlement Class Members who do
21 not submit timely and valid Requests for Exclusion.

22 25. "Parties" means Named Plaintiff and Defendants, collectively.

23 26. "Preliminary Approval" means the Court order granting preliminary approval of this
24 Settlement Agreement.

25 27. "Qualified Settlement Fund" means a fund, account, or trust satisfying the requirements
26 of 26 C.F.R. § 1.468B-1, established by the Settlement Administrator for the purpose of distributing
27 the Gross Settlement Fund according to the terms of this Settlement Agreement.
28

28. “Released Class Claims” means all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that are based on the facts and legal theories asserted in the operative complaint of the Action, or which relate to the primary rights asserted in the operative complaint, including without limitation claims for: (1) failure to pay minimum wage in violation of Labor Code sections 1194, 1194.2, 1197, 1198 and the applicable IWC Wage Order(s); (2) failure to pay overtime under California Labor Code §§ 510, 1194, 1198 and the applicable IWC Wage Order(s), (3) failure to furnish compliant meal periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (4) failure to furnish compliant rest periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (5) failure to pay wages due at cessation of employment in violation of Labor Code §§ 201-203; (6) failure to furnish accurate wage statements in violation of California Labor Code § 226(a); and (7) unlawful business practices under Unfair Competition Law including Business and Professions Code sections 17200 *et seq.* The period of the Released Class Claims shall extend to the limits of the Class Period. The res judicata effect of the Judgment will be the same as that of the Release.

29. “Released PAGA Claims” means all claims for civil penalties pursuant to PAGA based on the facts and legal theories asserted in the operative complaint of the Action, or which relate to the primary rights asserted in the operative complaint, including without limitation PAGA claims for (1) failure to pay minimum wage in violation of Labor Code sections 1194, 1194.2, 1197, 1198 and the applicable IWC Wage Order(s); (2) failure to pay overtime under California Labor Code §§ 510, 1194, 1198 and the applicable IWC Wage Order(s), (3) failure to furnish compliant meal periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (4) failure to furnish compliant rest periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (5) failure to pay wages due at cessation of employment in violation of Labor Code §§ 201-203; (6) failure to furnish accurate wage statements in violation of California Labor Code § 226(a); (7) failure to reimburse business expenses in violation of Labor Code section 2802. The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The res judicata effect of the Judgment will be the same as that of the Release.

30. “Released Claims” means the Released Class Claims and the Released PAGA Claims.

1 31. “Released Parties” means Defendants and each of their past, present, and/or future,
2 direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives,
3 attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries,
4 affiliates, divisions, predecessors, successors, assigns, and joint ventures.

5 32. “Request for Exclusion” means a letter timely submitted by a Settlement Class Member
6 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth
7 the name and address of the Settlement Class Member requesting exclusion; (ii) include the case name
8 and case number (iii) be signed by the Settlement Class Member; (iv) be returned to the Settlement
9 Administrator; (v) clearly state that the Settlement Class Member does not wish to be included in the
10 Settlement; and (vi) be faxed or postmarked on or before the Response Deadline.

11 33. “Response Deadline” means the deadline by which Settlement Class Members must
12 postmark or fax to the Settlement Administrator Requests for Exclusion, Notices of Objection, or
13 disputes as to workweeks. The Response Deadline will be forty-five (45) calendar days from the initial
14 mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) day falls on
15 a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on
16 which the U.S. Postal Service is open.

17 34. “Settlement Administration Costs” means the reasonable fees and expenses payable
18 from the Gross Settlement Fund to the Settlement Administrator for administering this Settlement,
19 including, but not limited to, printing, distributing, and tracking forms for this Settlement, calculating
20 estimated amounts per Settlement Class Member, tax reporting, distributing the LWDA Payment,
21 Gross Settlement Fund, and Class Counsel Award, providing necessary reports and declarations, and
22 other duties and responsibilities set forth herein to process this Settlement, as requested by the Parties.
23 The Parties have agreed to allocate up to \$7,000 (\$7,000) to Settlement Administration Costs. The
24 Settlement Administration Costs will be paid from the Gross Settlement Fund. In the event the
25 allocated Settlement Administration Costs exceed the actual costs incurred by the Settlement
26 Administrator, the difference shall be a part of the Net Settlement Amount and distributed to the
27 Participating Settlement Class Members.

35. “Settlement Administrator” means ILYM Group, Inc., which the Parties have agreed to, subject to approval by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

36. “Settlement Class Member(s)” or “Settlement Class” means all current and former technicians employed by Brake Masters of Sacramento, Inc. in California during the Class Period.

III. TERMS OF AGREEMENT

Plaintiff, on behalf of himself and the Settlement Class, and Defendants agree as follows:

37. Preliminary Approval Motion. The Parties agree to present the Settlement to the Court for Preliminary Approval, and consent to continued jurisdiction in that District if Preliminary Approval is granted. Named Plaintiffs further agree to make a good-faith effort to file a Motion for Preliminary Approval, including all executed and necessary exhibits, within thirty (30) calendar days of executing this Settlement Agreement.

38. Funding of the Gross Settlement Fund and Employer’s Payroll Tax Payments. By the Funding Date, Defendants will make a one-time deposit of the Gross Settlement Fund of Two Hundred Thousand Dollars (\$200,000.00) plus the Employer’s Payroll Tax Payments into a Qualified Settlement Fund to be established by the Settlement Administrator in exchange for the promises set forth in this Settlement Agreement, including the Releases by the Participating Settlement Class Members, PAGA Settlement Members, and Plaintiff for the Released Claims. The Individual Settlement Payments are not being made for any other purpose and will not be construed as compensation for purposes of determining eligibility for any health and welfare benefits or unemployment compensation. After the Effective Date, the Gross Settlement Fund will be used to pay: (i) Individual Settlement Payments; (ii) the PAGA Settlement Amount; (iii) the Class Representative Enhancement Payment; (iv) the Class Counsel Award; and (v) Settlement Administration Costs.

39. Non-Reversionary Settlement. Participating Settlement Class Members are entitled to one hundred percent (100%) of the Net Settlement Amount, to be distributed as outlined in Paragraph 18. Defendants maintain no reversionary right to any portion of the Net Settlement Amount, including any increase in the Net Settlement Amount resulting from a reduction in the Class Representative

Enhancement Payment, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs. If there are any timely submitted opt outs or a reduction in the Class Representative Enhancement Payments, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs, the Settlement Administrator shall proportionately increase the Individual Settlement Payments for each Participating Settlement Class Member so that the amount actually distributed to Participating Settlement Class Members equals one hundred percent (100%) of the corresponding Net Settlement Amount. If the amount of the Employer's Payroll Tax Payment is overestimated, however, funds equivalent to the overestimated amount shall revert to Defendants.

40. Attorneys' Fees and Costs. Class Counsel shall apply to the Court for attorneys' fees of not more than one-third (1/3) of the Gross Settlement Fund, or Sixty-Six Thousand, Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$66,666.67) plus reasonable costs and expenses in an amount not to exceed Eight Thousand Dollars (\$8,000.00) subject to proof by Class Counsel. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Class Counsel reflecting the Class Counsel Award.

41. Class Representative Enhancement Payment. In exchange for general releases of all known and unknown claims that he may have against Defendants and Released Parties based on his employment with Defendants (including a waiver of claims under Civil Code section 1542), and in recognition of his service to the class, Plaintiff shall apply for a Class Representative Enhancement Payment of Seven Thousand Five Hundred Dollars (\$7,500.00). The Class Representative Enhancement Payment will be paid from the Gross Settlement Fund and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement Agreement. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Plaintiff reflecting his Class Representative Enhancement Payment. Plaintiff agrees to assume responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts to be deduced by law, if any, from his Class Representative Enhancement Payment. In addition, Plaintiff shall hold Defendants and the Released Parties harmless and indemnify and defend Defendants and the Released Parties for all taxes, interest, penalties, and costs incurred by Defendants

1 or the Released Parties in connection with any claims relating to their non-withholding of taxes from
2 the Class Representative Enhancement Payment.

3 42. Individual Settlement Agreement. Plaintiff has also agreed to settle his separate,
4 individual claims for: (1) retaliation in violation of Labor Code §§ 98.6 and 1102.5; and (2) wrongful
5 termination in violation of public policy. The specific terms of this settlement were negotiated
6 separately and apart from this Settlement Agreement, will be paid from separate funds, and are
7 memorialized in the Parties' Individual Settlement Agreement. The Class will be apprised of the
8 Individual Settlement Agreement.

9 43. Settlement Administration Costs. The Settlement Administrator will be paid for the
10 reasonable costs it incurs for purposes of administering the Settlement and distributing payments from
11 the Gross Settlement Fund. These costs, which will be paid from the Gross Settlement Fund, will
12 include, inter alia, calculating, paying, and reporting the required tax payments on the Individual
13 Settlement Payments; the issuing and collection of 1099 and W-2 IRS Forms; distributing Notice
14 Packets; processing Requests for Exclusion, Notices of Objection, and workweek disputes; performing
15 skip trace on Notice Packets returned as undeliverable; calculating and distributing from the Gross
16 Settlement Fund all Individual Settlement Payments, the PAGA Settlement Amount, Class
17 Representative Enhancement Payments, and the Class Counsel Award; and providing necessary reports
18 and declarations, among other tasks that the parties may agree upon or as set forth in this Agreement.

19 44. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
20 of Ten Thousand Dollars (\$10,000.00) from the Gross Settlement Fund will be designated for
21 satisfaction of Plaintiff's and PAGA Settlement Members' PAGA claims. Pursuant to PAGA, Seventy-
22 Five Percent (75%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement
23 Amount will be paid to the LWDA, and Twenty-Five Percent (25%), or Two Thousand, Five Hundred
24 Dollars (\$2,500.00), will be distributed on a pro rata basis to the PAGA Settlement Members based on
25 the number of "weeks worked" or "workweeks" during the PAGA Period. This amount will not revert
26 to Defendants.

45. Net Settlement Amount. The entire Net Settlement Amount will be distributed to Participating Settlement Class Members as provided in Paragraphs 18 and 39. No portion of the Net Settlement Amount will revert to or be retained by Defendants.

46. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned on a pro rata basis from the Net Settlement Amount to Settlement Class Members who do not opt out depending on the number of “weeks worked” or “workweeks” (defined as any calendar week during the Class Period) in which a Settlement Class Member performed at least one day of work for Defendants. Participating Settlement Class Members whose employment has ended will be credited an additional four (4) weeks worked for purposes of calculating their pro rata share of the Net Settlement Amount. Settlement Class Members do not need to submit a claim to participate and receive their Individual Settlement Payment.

47. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the 25% portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of “weeks worked” or “workweeks” in which a PAGA Settlement Member performed at least one day of work for Defendants during the PAGA Period. PAGA Settlement Members whose employment has ended will be credited an additional four (4) weeks worked for purposes of calculating their pro rata share of the PAGA Settlement Amount. PAGA Settlement Members do not need to submit a claim to participate in the PAGA portion of the Settlement and also may not opt out of the resolution of the PAGA claim.

48. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Settlement Class Members and Individual PAGA Payments made to PAGA Settlement Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. For the avoidance of doubt, no Settlement Class Member shall be entitled to any additional

1 right, contribution, or amount under any benefit plan as a result of this Settlement or payments made
2 hereunder.

3 49. Administration Process. The Parties agree to cooperate in the administration of the
4 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred
5 in the administration of the Settlement.

6 50. Notice to Labor and Workforce Development Agency. Upon the filing of the Motion
7 for Preliminary Approval, Class Counsel will notify the LWDA of this Settlement Agreement. Within
8 ten (10) calendar days of the entry of the Court's order granting Preliminary Approval and of the
9 Court's entry of Judgment, Class Counsel will provide the LWDA with copies of that order and
10 Judgment, respectively, consistent with Paragraph 29 of this Agreement and California Labor Code
11 sections 2699(I)(1)–(3).

12 51. Preparation of the Class List. Within fifteen (15) calendar days of the entry of the
13 Court's order granting Preliminary Approval, Defendants will provide the Class List to the Settlement
14 Administrator. Within fifteen (15) calendar days after the Response Deadline, the Settlement
15 Administrator will provide to counsel for Defendants the list of Participating Settlement Class
16 Members, which, unless the Court orders otherwise, shall exclude individuals who filed a timely
17 Request for Exclusion.

18 52. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after receiving the
19 Class List from Defendants, the Settlement Administrator will send a Notice Packet to all Settlement
20 Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses
21 identified in the Class List.

22 53. Confirmation of Contact Information in the Class Lists and Resending Notices Where
23 Initial Notice is Returned as Non-Deliverable. Prior to the initial distribution of Notice Packets, the
24 Settlement Administrator will perform a search based on the National Change of Address Database for
25 information to update and correct any known or identifiable address changes for those Settlement Class
26 Members who do not have a mailing address included in the Class List. Notice Packets sent via regular
27 First-Class U.S. Mail and returned to the Settlement Administrator as non-deliverable on or before the
28 Response Deadline, will be sent promptly via regular First-Class U.S. Mail within five (5) business

1 days of receipt to any forwarding address affixed thereto and the Settlement Administrator will indicate
2 the date of such remailing on the Notice Packet. If no forwarding address is provided, the Settlement
3 Administrator will promptly attempt to determine the correct address using a skip-trace or other search
4 using the name, address, and/or Social Security number of the Settlement Class Member involved, and
5 will then perform a single re-mailing within five (5) business days of receipt of the returned Notice
6 Packet. Settlement Class Members will have until the later of ten (10) calendar days from the date of
7 the re-mailing of the Notice Packet or the Response Deadline, to submit a Notice of Objection, Request
8 for Exclusion, or workweeks dispute.

9 54. Notice Packets. All Settlement Class Members will be sent a Notice Packet. Each
10 Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a summary of the
11 Settlement Agreement's principal terms; (iii) the Settlement Class definition; (iv) the number of
12 workweeks each respective Settlement Class Member worked for Defendants during the Class Period;
13 (v) each Settlement Class Member's estimated Individual Settlement Payment; (vi) each PAGA
14 Settlement Member's estimated Individual PAGA Payment; (vii) the dates comprising the Class Period
15 and the PAGA Period; (viii) instructions on how to submit Requests for Exclusion, Notices of
16 Objection, and workweeks disputes; (ix) the deadlines by which the Settlement Class Member must
17 postmark or fax Requests for Exclusion, Notices of Objection, and workweeks disputes; (x) the claims
18 to be released; and (xi) the Settlement Administrator's contact information, including the website
19 address where the electronic versions of the materials in the Notice Packet will be available. Settlement
20 Class Members and PAGA Settlement Members will be specifically informed that neither Defendants
21 nor Class Counsel make any representations regarding the tax implications of any amounts paid under
22 this Settlement Agreement and that if Settlement Class Members or PAGA Settlement Members have
23 any questions regarding those implications, they can and should consult a tax expert. The Parties'
24 proposed Notice Packet is attached hereto as **Exhibit A**.

25 55. Disputed Information in Notice Packets. Settlement Class Members will have an
26 opportunity to dispute the work week information provided in their Notice Packets. To the extent
27 Settlement Class Members dispute their employment dates or the number of workweeks on record,
28 Settlement Class Members may produce evidence to the Settlement Administrator by the Response

1 Deadline showing that such information is inaccurate. The Settlement Administrator will decide the
2 dispute. Defendants' records will be presumed correct, but the Settlement Administrator will evaluate
3 the evidence submitted by the Settlement Class Member and will make the final decision as to the
4 merits of the dispute. All disputes will be decided by the Settlement Administrator within fifteen (15)
5 business days of the Response Deadline.

6 56. Request for Exclusion Procedures. Any Settlement Class Member wishing to opt out
7 of the Settlement Agreement must sign and fax or mail a written Request for Exclusion to the
8 Settlement Administrator by the Response Deadline. In the case of Requests for Exclusion that are
9 mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine
10 whether a Request for Exclusion has been timely submitted. Consistent with California law, PAGA
11 Settlement Members may not opt out of the PAGA Settlement. Any Settlement Class Member who
12 timely submits a Request for Exclusion from the Settlement Class will still receive an Individual PAGA
13 Payment representing their portion of the PAGA Settlement Amount. All signatories and their counsel
14 must not encourage opt-outs. The Parties specifically agree not to solicit opt-outs, directly or indirectly,
15 through any means. Objective statements to Settlement Class Members who call Class Counsel with
16 inquiries regarding the Settlement Agreement, or the exercise of Class Counsel's ethical obligations,
17 shall not be deemed a violation of the prohibitions contained herein.

18 57. Defective Submissions. If a Settlement Class Member's Request for Exclusion is
19 defective as to the requirements listed herein, that Settlement Class Member will be given an
20 opportunity to cure the defect(s). The Settlement Administrator will send the Settlement Class Member
21 a cure letter within three (3) business days of receiving the defective submission to advise the
22 Settlement Class Member that his or her submission is defective and that the defect must be cured to
23 render the Request for Exclusion valid. The Settlement Administrator will send the cure letter by the
24 last method by which the Settlement Administrator sent the Notice Packet to the Settlement Class
25 Member. The Settlement Class Member will have until the later of (i) the Response Deadline or (ii)
26 ten (10) calendar days from the date of the cure letter to postmark or fax a revised Request for
27 Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period,
28 it will be deemed untimely.

1 58. Class Members and Workweeks. Defendants represent that, as of mediation, there were
2 approximately 8,515 workweeks for all Class Members during the Class Period. Defendants further
3 represent that the number of Class Members through the date of mediation was 216. If required by the
4 Court, Defendants shall provide a declaration under penalty of perjury attesting to the number of
5 workweeks worked during the Class Period and the total number of Class Members.

6 59. Cancellation of Settlement Agreement. Within fourteen (14) calendar days of the
7 Response Deadline, as defined in the Court's Order granting Preliminary Approval of the Settlement,
8 Defendants will have the option, in their sole discretion, to void the Settlement Agreement in its entirety
9 if ten percent (10%) or more of all individuals eligible to become members of the Settlement Class
10 submit timely and valid Requests for Exclusion or are otherwise deemed by the Court not to be bound
11 by the Settlement. If Defendants exercise this option, they shall be responsible for all Settlement
12 Administration Costs incurred to the date of cancellation.

13 60. Releases.

14 a. Release of Class Claims by Participating Settlement Class Members. The
15 Parties agree that upon the Effective Date and Defendants' full funding of the Gross Settlement Fund,
16 it is their intent that the terms set forth in this Settlement Agreement will release any further attempt
17 by lawsuit, administrative claim or action, arbitration, demand, claims for civil penalties, or other action
18 of any kind by each and all of the Participating Settlement Class Members, who shall release their right
19 to pursue any and all claims against the Released Parties for the Released Class Claims, as fully
20 described in Paragraph 28, arising during the Class Period.

21 b. Release of PAGA Claims by PAGA Settlement Members. The Parties agree
22 that upon the Effective Date and Defendants' full funding of the Gross Settlement Fund, it is their intent
23 that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit,
24 administrative claim or action, demand, claims for civil penalties, or other action of any kind by each
25 and all of the PAGA Settlement Members, who shall release their right to pursue any and all claims
26 against the Released Parties for the Released PAGA Claims, as fully described in Paragraph 29, arising
27 during the PAGA Period.

c. Release of Claims by Plaintiff. Upon the Effective Date and Defendants' full funding of the Gross Settlement Fund, in addition to the claims being released by all Participating Settlement Class Members and PAGA Settlement Members, Plaintiff will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties based in any way on, or otherwise related to or arising from, his employment with Defendants as of the date of execution of this Settlement Agreement. The releases include, but are not limited to, all disputes relating to or arising out of any state, local, or federal statute, ordinance, regulation, order, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 *et seq.* and Code of Federal Regulations; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; the California Fair Employment & Housing Act, as amended, Cal. Govt. Code §§ 12900 *et seq.*; the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the California Unruh Civil Rights Act, as amended, Cal. Civ. Code §§ 51 *et seq.*; the California Labor Code (including any claim for civil penalties under the California Labor Code Private Attorneys General Act); the California Government Code; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. §§ 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12100, *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601, *et seq.* and any state law equivalent; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. §§ 151 *et seq.*; California Business and Professions Code §§ 17200 *et seq.*; other statutory and common law claims; statutory or common law rights to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on contract, quasi-contract, quantum meruit, implied contract, tort, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander, immigration issues, infliction of emotional distress, negligence, assault, battery, conspiracy, harassment, retaliation, discrimination on any basis prohibited by statute or public policy, conversion, any interference with business opportunity or with contract or based upon any other theory;

and/or similar causes of action. Specifically excluded from this release are Plaintiff's individual claims for (1) retaliation in violation of Labor Code §§ 98.6 and 1102.5 and (2) wrongful termination in violation of public policy, which are the subject of the Parties' Individual Settlement Agreement.

d. Plaintiff's General Release. Upon the Effective Date, to the extent allowed by California law, Plaintiff waives all rights and benefits afforded by section 1542 of the California Civil Code as to any Released Claims. Section 1542 provides:

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.

61. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion (*i.e.*, all Participating Settlement Class Members) will be bound by all of its terms, including those pertaining to the Released Class Claims and Released PAGA Claims (collectively, the "Released Claims"), as well as any Judgment that may be entered by the Court if it grants final approval of the Settlement. The Settlement Agreement shall constitute, and may be pleaded as, a complete and total defense to any Released Claims currently pending or raised in the future. Notwithstanding the foregoing, this Settlement Agreement, if approved, precludes further PAGA claims irrespective of whether a Request for Exclusion is submitted. As a result, all PAGA Settlement Members—regardless of whether they submit a Request for Exclusion—shall receive a check for their share of the PAGA Settlement Amount when settlement payments are delivered, and they will be bound by a release of the PAGA claims as outlined in Paragraph 60(b).

62. Notice of Objection Procedures. To object to the Settlement Agreement, a Settlement Class Member must mail or fax a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark or fax-stamp date will be deemed the exclusive means for determining that the Notice of Objection is timely. The Settlement Administrator will notify any person from whom it receives a Notice of Objection that is not timely and/or valid if, in fact, such Notice of Objection is not timely and/or valid. Any disputes

1 regarding the timeliness, validity, or effectiveness of a Notice of Objection shall be decided by the
2 Settlement Administrator consistent with the terms of this Agreement, and with the Parties' input, if
3 appropriate. Settlement Class Members who fail to object in the manner specified above will be
4 deemed to have waived all objections to the Settlement and will be foreclosed from making any
5 objections, whether by appeal or otherwise, to the Settlement Agreement, unless they appear at the
6 Final Approval Hearing and state their objection at that time. Settlement Class Members who submit
7 timely Notices of Objection may appear at the Final Approval Hearing to have their objections heard
8 by the Court. If the Court permits, Settlement Class Members who have not submitted a written Notice
9 of Objection in compliance with the Settlement Agreement may still appear at the Final Approval
10 Hearing and present their objections. At no time will any of the Parties or their counsel seek to solicit
11 or otherwise encourage Settlement Class Members to submit written objections to the Settlement
12 Agreement or appeal from the Final Approval Order and Judgment. Class Counsel will not represent
13 any Settlement Class Members with respect to any such objections to this Settlement.

14 63. Certification Reports Regarding Individual Settlement Payment Calculations. The
15 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that
16 identifies the number of Settlement Class Members who have submitted valid Requests for Exclusion,
17 or objected to the Settlement, and whether any Settlement Class Member has submitted a challenge to
18 any information contained in his or her Notice Packet as provided in Paragraph 55. Additionally, the
19 Settlement Administrator will provide counsel for both Parties with any updated reports regarding the
20 administration of the Settlement Agreement as needed or requested, as consistent with the terms of the
21 Settlement Agreement.

22 64. Distribution Timing of Individual Settlement Payments. The Settlement Administrator
23 will distribute the funds in the Gross Settlement Fund within the period set forth with respect to each
24 category of payment.

25 a. Class Counsel Award and Class Representative Enhancement Payments: Within
26 twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue payments
27 for the Class Counsel Award and Class Representative Enhancement Payment in the amounts awarded
28 by the Court.

b. Individual Settlement Payment and PAGA Settlement Amount: Within twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue the LWDA Payment to the LWDA, the Individual Settlement Payments to the Participating Settlement Class Members, and the Individual PAGA Payments to the PAGA Settlement Members. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement in the amount approved by the Court.

c. Payroll Tax Payments and Penalties: The Settlement Administrator will also transmit Defendants' share of applicable Employer's Payroll Tax Payments and penalties to the appropriate government authorities.

65. Un-cashed Settlement Checks. Individual Settlement Payments and/or Individual PAGA Payment checks remaining uncashed for more than one hundred eighty (180) calendar days after issuance will be void. Funds from the uncashed checks shall be distributed to Court Appointed Special Advocates of San Joaquin County, a non-profit child advocacy program that is an appropriate *cypres* beneficiary pursuant to Code of Civil Procedure § 384.

66. Certification of Completion. Upon completion of the administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

67. Treatment of Individual Settlement Payments. For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) One-third (33 1/3%) to settlement of wage claims and (ii) Two-thirds (66 2/3%) to settlement of claims for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator. Plaintiff and Participating Settlement Class Members shall be solely responsible for taxes associated with the 1099 and W-2 payments, with the exception of employer payroll taxes. Participating Settlement Class Members shall be responsible for remitting to state and/or federal taxing authorities any applicable other taxes due. Neither this Agreement, nor any of its attachments, should

1 be interpreted to contain or constitute representations or advice regarding any U.S. federal or state tax
2 issue.

3 68. Administration of Taxes by the Settlement Administrator. The Settlement
4 Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class Members,
5 PAGA Settlement Members, and Class Counsel any W-2, 1099, or other tax forms as may be required
6 by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be
7 responsible for forwarding Defendants' share of applicable employer payroll tax payments and
8 penalties to the appropriate government authorities. All Settlement Class Members, including Plaintiff,
9 Participating Settlement Class Members and PAGA Settlement Members, shall be solely and
10 exclusively responsible for remitting to state and/or federal taxing authorities any applicable other taxes
11 due and shall hold Defendants and the Released Parties harmless for any taxes, penalties, interest,
12 liabilities, costs, and expenses caused by any such taxing authority relating in any way to the Settlement
13 Class Members', including Plaintiff's, PAGA Settlement Members' and Participating Settlement Class
14 Members', tax treatment of payments made to them pursuant to this Settlement or failure to timely or
15 properly pay any taxes owed on their respective Individual Settlement Payment or Individual PAGA
16 Payment.

17 69. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
18 of the payments called for hereunder, and Named Plaintiff, Participating Settlement Class Members,
19 and PAGA Settlement Members are not relying on any statement, representation, or calculation by
20 Defendants or by the Settlement Administrator in this regard.

21 70. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
22 OF THIS SECTION, THE "ACKNOWLEDGING PARTY," AND EACH PARTY TO THIS
23 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
24 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
25 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
26 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL
27 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
28 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY

1 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
2 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,
3 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
4 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT
5 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
6 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
7 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER
8 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
9 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
10 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY
11 SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
12 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
13 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
14 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
15 AGREEMENT.

16 71. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
17 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
18 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
19 of action, or right herein released and discharged.

20 72. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally
21 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
22 reason, then this Settlement Agreement will be null and void. Any order or judgment entered by the
23 Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

24 73. Termination of Settlement Agreement. Named Plaintiff and Defendants will each have
25 the right to unilaterally terminate this Settlement Agreement by providing written notice of their
26 election to do so ("Termination Notice") to all other Parties hereto within ten (10) business days of any
27 of the following occurrences; provided, however, that the Parties agree to cooperate in good faith to
28

address any issues the Court raises in connection with issuing Preliminary and/or Final Approval of the Settlement:

- a. ten percent (10%) or more of the Settlement Class Members request exclusion from the Settlement Class;
- b. the Court rejects, materially modifies, materially amends or changes, or declines to issue a Preliminary Approval Order or a Final Approval Order with respect to the Settlement Agreement, but only if the Parties are not permitted to remedy any deficiencies the Court identifies;
- c. an appellate court reverses the Final Approval Order, and the Settlement Agreement is not reinstated without material change by the Court on remand; or
- d. any court incorporates terms into, or deletes or strikes terms from, or modifies, amends, or changes the Preliminary Approval Order, the Final Approval Order, or the Settlement Agreement in a way that Plaintiff or Defendants reasonably consider material, unless the modification or amendment is accepted in writing by all Parties, except that, as provided above, the Court's approval of Attorneys' Fees and Costs, Class Counsel Awards, and Class Representative Enhancement Payment, or their amounts, is not a condition of the Settlement Agreement.

74. Reversion *Nunc Pro Tunc*. If this Settlement Agreement is terminated pursuant to its terms, or the Effective Date for any reason does not occur: (a) all Orders certifying the Settlement Class for purposes of effectuating this Settlement, and all preliminary and/or final findings regarding the Settlement Class, shall be void *ab initio* and automatically vacated upon notice to the Court, and (b) the Action shall proceed as though the Settlement Class had never been certified pursuant to this Settlement Agreement and such findings had never been made.

75. Preliminary Approval Hearing. Plaintiff will obtain a hearing date before the Court to request the Preliminary Approval of the Settlement Agreement and the entry of an order: (i) conditionally certifying the Settlement Class for settlement purposes only; (ii) granting preliminary approval to the proposed Settlement Agreement; (iii) setting a deadline for Class Counsel to file an application for Attorneys' Fees and Costs and an application for a Class Representative Enhancement

1 Payment for Plaintiff; and (iv) setting a date for a Final Approval Hearing. The Preliminary Approval
2 Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified herein.
3 In conjunction with the Preliminary Approval hearing, Named Plaintiffs will submit this Settlement
4 Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet,
5 which will include the proposed Notice of Class Action Settlement, attached as **Exhibit A**. Class
6 Counsel will be responsible for drafting all documents necessary to obtain preliminary approval.

7 76. Final Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to
8 postmark Requests for Exclusion or Notices of Objection (and no earlier than one hundred (100)
9 calendar days after the date on which Plaintiff files his Motion for Preliminary Approval) and with the
10 Court's permission, a Final Approval Hearing will be conducted to determine the Final Approval of
11 the Settlement Agreement along with the amounts properly payable for: (i) Individual Settlement
12 Payments (including all applicable taxes); (ii) the PAGA Settlement Amount; (iii) the Class
13 Representative Enhancement Payment; (iv) the Class Counsel Award; and (v) all Settlement
14 Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain
15 final approval. Class Counsel will also be responsible for drafting the Class Counsel Award and Class
16 Representative Enhancement Payment application to be heard at the Final Approval Hearing, which
17 may be filed concurrently with a motion requesting final approval.

18 77. Final Approval Order to Include Dismissal of Individual Claims with Prejudice. The
19 Parties will include in their proposed Final Approval Order a dismissal of Plaintiff's Individual Claims
20 with Prejudice.

21 78. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the
22 Court or after the Final Approval Hearing, Class Counsel will present a proposed form of Judgment to
23 the Court for its approval that (i) approves the Settlement Agreement, adjudging the terms thereof to
24 be fair, reasonable, adequate, and directing consummation of its terms and provisions; (ii) approving
25 Class Counsel's application for an award of Attorneys' Fees and Costs; (iii) approving the Class
26 Representative Enhancement Payment; (iv) approving the PAGA Settlement Amount; (v) approving
27 the Settlement Administrator's fees from the Gross Settlement Amount; and (vi) barring all
28 Participating Settlement Class Members and PAGA Settlement Members from prosecuting against the

Released Parties, or any of them, any of the Released Claims. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) Settlement administration matters; and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

80. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms and, should this Settlement Agreement receive Final Approval, its terms will supersede all prior written or oral agreements between the Parties.

81. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

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

83. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties.

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

85. Execution and Counterparts. This Settlement Agreement is subject to the execution of all Parties. The Settlement Agreement may be executed in one or more counterparts. All executed

1 counterparts and each of them, including facsimile and scanned copies of the signature page, will be
2 deemed to be one and the same instrument.

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

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

13 88. Waiver of Certain Appeals. With the exception of a right to appeal the reduction of any
14 award of attorneys' fees, costs, and expenses as provided herein, Named Plaintiffs and Defendants
15 hereby waive their right to appeal or seek other judicial review of any order that is materially consistent
16 with the terms of this Settlement Agreement.

17 89. Class Certification for Settlement Purposes Only. The Parties stipulate to class
18 certification of any claims not yet certified for purposes of implementing the Settlement only, and in
19 no way is that an admission by Defendants that class certification is proper. The Settlement will not
20 be admissible in any proceeding as evidence that (i) a class or collective should be certified as Plaintiff
21 has proposed for any claims, including but not limited to any currently non-certified claims; (ii) the
22 Action should proceed on a representative basis pursuant to PAGA; or (iii) Defendants are liable to
23 Plaintiff or any other individuals they claim to represent in the Action in connection with any claims
24 that were or could have been asserted in the Action.

25 90. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
26 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In
27 entering into this Settlement, Defendants do not admit, and specifically deny, that they violated any
28 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute

1 or any other applicable laws, regulations, or legal requirements; breached any contract; violated or
2 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
3 conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or
4 provisions, nor any of the negotiations connected with it, will be construed as an admission or
5 concession by Defendants of any such violations or failures to comply with any applicable law. Except
6 as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its
7 terms and provisions will not be offered or received as evidence in any action or proceeding to establish
8 any liability or admission on the part of Defendants or to establish the existence of any condition
9 constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

10 91. Media Restrictions. The Parties and their counsel agree that they will not issue any
11 press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement.
12 Unless required by applicable law, neither Plaintiff nor Class Counsel shall publicize the terms of this
13 Settlement Agreement in any medium or initiate or issue any press release or have any communications
14 to the press or media concerning the Action, the Settlement of the Action, and/or this Settlement
15 Agreement, except as posted by the Settlement Administrator as ordered by the Court. Class Counsel
16 shall not include, and shall affirmatively remove, any reference to any of the foregoing subjects in any
17 advertising, mass mailing, website, or other communication. If counsel for either Party receives an
18 inquiry about the Settlement from the media, counsel may respond only after the motion for Preliminary
19 Approval has been filed and only by confirming the terms of the Settlement. Notwithstanding the
20 foregoing, nothing will prevent Class Counsel from communicating confidentially with Settlement
21 Class Members as necessary to fulfill their obligations as Class Counsel. Additionally, this provision
22 shall not preclude Class Counsel from referencing this Settlement as evidence of their experience in
23 any motion for class certification, preliminary or final approval, or the like, in any other matter.

24 92. Waiver. No waiver of any condition or covenant contained in this Settlement
25 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
26 imply or constitute a further waiver by such party of the same or any other condition, covenant, right,
27 or remedy.
28

1 93. Enforcement Actions. In the event that one or more of the Parties institutes any legal
2 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
3 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
4 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
5 expert witness fees incurred in connection with any enforcement actions.

6 94. Disputes Regarding Settlement Agreement. In the event that there are any disputes
7 arising out of or relating to the implementation of this Settlement Agreement, any such dispute will be
8 submitted to Daniel Quinn, Esq. or a mutually agreeable mediator for mediation.

9 95. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
10 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
11 construed more strictly against one party than another merely by virtue of the fact that it may have been
12 prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length
13 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
14 Agreement.

15 96. Representation by Counsel. The Parties acknowledge that they have been represented
16 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
17 that this Settlement Agreement has been executed with the advice of counsel. Further, Plaintiff and
18 Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

21 98. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
22 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
23 Settlement Agreement.

24 99. Binding Agreement. The Parties warrant that they understand and have full authority
25 to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
26 enforceable and binding on all parties, with retention of jurisdiction by the Court as provided therein,
27 and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms.
28

SIGNATURE PAGES FOLLOW

READ CAREFULLY BEFORE SIGNING.

1
2
3 Dated: 2/07/2024

DocuSigned by:

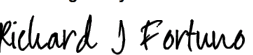
By: 7880762B06FB40D...
Cory Walker
Named Plaintiff and Class Representative

4
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7 Dated: 2/13/2024

DocuSigned by:

By: 5FAFB1AE301D40D...
Auto Brakes, Inc.
Defendant

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9
10
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12 Dated: 2/13/2024

DocuSigned by:

By: 5FAFB1AE301D40D...
Brake Masters of Sacramento, Inc.
Defendant

APPROVED AS TO FORM

Dated: 2/7/2024

BENJAMIN LAW OFFICES

DocuSigned by:

By: Steven Benjamin, Esq.
Steven Benjamin
Attorneys for Defendants

Dated: 2/7/2024

MAYALL HURLEY, P.C.

By: William J. Gorham, III
Robert J. Wassermann
Vladimir J. Kozina
Attorneys for Plaintiff Cory Walker and the Class

Exhibit A

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN JOAQUIN

CORY WALKER, Individually and on
Behalf of Others Similarly Situated,

Plaintiff,

vs.

AUTO BRAKES, INC.; BRAKE MASTERS
of SACRAMENTO, INC.; and DOES 1-50,
inclusive,

Defendants.

Case No.: STK-CV-UOE-2022-7517

NOTICE OF PENDENCY OF CLASS ACTION,
PRELIMINARY APPROVAL OF SETTLEMENT
AND HEARING FOR FINAL APPROVAL

IMPORTANT: THIS LEGAL NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT
CAREFULLY. YOU ARE NOT BEING SUED.

TO: Any and all persons who have been employed by Brake Masters of Sacramento, Inc. as
technicians in the State of California at any time from April 8, 2019, through January 3, 2024.

RE: Notice of settlement of a class action lawsuit for alleged wage and hour violations and
announcement of a court hearing that you may choose to attend. You are entitled to
receive a payment under the terms of this class action settlement.

YOUR OPTIONS UNDER THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be included as a member of the class, you will be bound by this Settlement, and you will receive a payment.
OBJECT	You may submit a written objection about why you believe that the Settlement is unfair. Any objection must be received by [REDACTED], 2024. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement.
OBJECT AND GO TO A HEARING	If you submit a written objection about why you believe that the Settlement is unfair, you may also speak to the Court about why you believe that the Settlement is unfair. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement.
EXCLUDE YOURSELF	If you wish to be excluded from the Settlement, you must submit a written election not to participate known as an “opt-out” by no later than [REDACTED], 2024. If you opt-out, you will not be bound by the Settlement and will not receive a payment.

1 **1. WHAT IS THIS LAWSUIT ABOUT?**

2 Plaintiff Cory Walker (“Plaintiff”) filed a class and representative action on August 5, 2022, entitled
3 *Walker v. Auto Brakes, Inc., et al.*, Case No. STK-CV-UOE-2022-7517, in the Superior Court of California
4 for the County of San Joaquin, against Defendants Auto Brakes, Inc. and Brake Masters of Sacramento, Inc.
5 (“Defendants”). On November 3, 2022, Plaintiff filed a First Amended Complaint.

6 Plaintiffs is represented by Mayall Hurley P.C., which has been appointed by the Court to act as
7 attorneys for the Class (referred to as “Class Counsel”).

8 In sum, Plaintiff alleges that Defendants failed to do the following with respect to Plaintiff and other
9 current and former technicians: 1) failed to pay minimum wages due, 2) failed to properly calculate and pay
10 overtime, 3) failed to furnish compliant meal periods, 4) failed to furnish compliant rest periods, 5) failed to
11 pay wages due at cessation of employment, 6) failed to furnish accurate itemized wage statements, 7)
engaged in unfair business practices based on the foregoing, and 8) representative claims under the
California Labor Code Private Attorneys’ General Act based on these allegations as well as a claim for
failure to reimburse for business expenses. Plaintiff also asserted individual claims alleging retaliation and
wrongful termination.

12 Defendants strongly deny liability for all of Plaintiff’s claims and have raised various factual and
13 legal defenses to these claims. Defendant has agreed to the proposed settlement without any admission of
wrongdoing.

14 **The Court has made no determination about the strengths and weaknesses of the claims or**
15 **contentions of either Plaintiff or Defendants. This Notice is not to be understood as an expression of**
16 **any opinion by the Court as to the merits of the claims or defenses asserted by either side.** There have
17 been ongoing investigations and substantial exchanges of information. As a result of settlement discussions,
the Parties reached a class settlement.

18 **2. WHY DID I RECEIVE THIS NOTICE?**

19 The Parties have settled this class action lawsuit. Your employment records indicate that you are a
20 member of the Class. If the Court approves the proposed settlement, your legal rights may be affected. This
21 Notice, which has been approved by the Court, is only a summary. A more detailed document, called the
“Class Action Settlement Agreement and Release”, containing the complete terms of the settlement, is on
file with the Court.

22 **3. WHO IS COVERED BY THE CLASS ACTION AND PROPOSED SETTLEMENT?**

23 **A. Who are the Class Members?**

24 The proposed settlement covers the claims of certain current and former employees of Defendant
25 (referred to as the “Settlement Class Members” and collectively as the “Settlement Class”). The Settlement
26 Class consists of any and all persons who have been employed by Brake Masters of Sacramento, Inc. in the
State of California at any time from April 8, 2019, through January 3, 2024 (the “Class Period”).

27 Defendants’ records indicate that you are a member of the Settlement Class. Defendants’ records
28 indicate that you worked for Brake Masters of Sacramento, Inc. from [DATES OF EMPLOYMENT].

1 There are approximately 216 individuals in the Settlement Class.

2 **B. What is the Effect of Membership in the Settlement Class?**

3 If you are a member of the Settlement Class defined above, you are automatically a Participating
4 Settlement Class Member unless you opt-out (i.e., exclude yourself from the Settlement by following the
5 procedures set forth in this Notice). If the Settlement is approved by the Court, you are entitled to payment
6 under the Settlement and will be bound by its terms. Individuals who opt-out will not be bound by the
7 Settlement and will not be eligible to receive a payment. However, if you are also a PAGA Settlement
8 Member, meaning you worked for Brake Masters of Sacramento, Inc. as a technician at some point during
the period of August 17, 2021, through January 3, 2024 (the "PAGA Period"), you will be bound by the
release of the PAGA claims set forth in the Settlement Agreement whether or not you choose to opt-out of
the Settlement.

9 **4. WHAT ARE THE TERMS OF THE SETTLEMENT?**

10 The proposed Settlement was agreed upon between Defendants and Class Counsel after a mediation
11 with Daniel Quinn, Esq. on January 3, 2024. Class Counsel believes that this Settlement, the terms of which
are summarized below, is fair, reasonable, adequate, and in the best interests of the Settlement Class.

12 **A. Overall Summary of the Settlement Terms.**

13 Defendants will pay \$200,000.00 to settle the claims of the Settlement Class (referred to as the
14 "Gross Settlement Fund"). The Gross Settlement Fund includes payments to Participating Settlement Class
15 Members and PAGA Settlement Members, the fees and costs of the Settlement Administrator, a required
16 payment to the State of California, the Class Representative Enhancement Payment for his service to the
Class, and Class Counsel's attorneys' fees and reasonable costs. The remainder, after deduction of these
payments is known as the "Net Settlement Amount."

17 **B. Costs of Claims Administrator.**

18 The Parties have agreed to employ ILYM Group, Inc. to serve as Settlement Administrator. The
19 Settlement Administrator's fees and costs for administering the Settlement, estimated to be no more than
20 \$7,000, if approved by the Court, will be paid out of the Maximum Settlement Amount.

21 **C. Class Representative Enhancement Payment.**

22 Plaintiff Cory Walker has been approved by the Court to serve as Class Representative. As Class
23 Representative, he is entitled to payment for his service to the Class. The Parties have agreed, and the Court
has preliminarily approved a payment of \$7,500 to Cory Walker for his service to the Class.

24 **D. Class Counsel's Fees and Costs.**

25 Class Counsel are entitled to attorney's fees and costs for representing the Class. Class Counsel will
26 request for attorneys' fees of one-third of the Gross Settlement Fund, or \$66,666.67, and reimbursement of
27 declared litigation costs of up to \$8,000.00. Defendants do not object to the fees and costs sought by Class
28 Counsel. The Court has preliminarily approved payment to Class Counsel in the amount set forth above.

E. Payment to the State of California.

The Settlement allocates \$10,000 of the Gross Settlement Fund to any civil penalties under the Private Attorneys General Act ("PAGA") that could be awarded as a result of the violations alleged. Of that amount, \$7,500 (75% of \$10,000) will be paid to the State of California's Labor and Workforce Development Agency, and the remaining \$2,500 (25% of \$10,000) will be included in the amounts paid to the Class. Defendants do not object to the PAGA allocation.

F. Individual Settlement.

The Parties have agreed to separately settle Plaintiff's individual claims for retaliation and wrongful termination for a total of \$112,500. This amount was negotiated separately from the Class and PAGA Claims and will be paid separately from the Gross Settlement Fund.

G. What Can I Expect to Receive?

i. Individual Settlement Payment:

Each Participating Settlement Class Member will receive a proportionate share of the remaining Net Settlement Amount equal to: (i) the number of weeks he or she worked during the Class Period based on the Class List provided by Defendants, divided by (ii) the total number of weeks worked by any and all Participating Settlement Class Members collectively, during the Class Period based on the same Class List, which is then multiplied by the remaining Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Each Participating Class Member whose employment with Defendant ended during the Class Period will be credited with an additional four workweeks for purposes of computing their Individual Settlement Share.

ii. Individual PAGA Payment:

Each Settlement Class Member who worked during the period of August 17, 2021, through January 3, 2024 is a PAGA Settlement Member. All PAGA Settlement Members will receive an Individual PAGA Payment calculated and apportioned from the 25% portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of "weeks worked" or "workweeks" in which a PAGA Settlement Member performed at least one day of work for Defendants during the PAGA Period. PAGA Settlement Members whose employment has ended will be credited an additional four (4) weeks worked for purposes of calculating their pro rata share of the PAGA Settlement Amount.

Defendants' records indicate that you are a member of the Settlement Class and [are/are not] a former employee. Its records also indicate that you worked [REDACTED] workweeks during the Class Period.

Defendants' records indicate that you [are/are not] a PAGA Settlement Member. Its records also indicate that you worked [REDACTED] workweeks during the PAGA Period.

It is estimated that your Individual Settlement Payment will be \$ [REDACTED] [and your PAGA Settlement Payment will be \$ [REDACTED]]. It will not be possible to know the exact amount of your payment until the Response Deadline has passed and the Settlement Administrator knows the number of Participating Settlement Class Members.

For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) One-third (33 1/3%) to settlement of wage claims and (ii) Two-thirds (66 2/3%) to settlement of claims for interest and statutory penalties. Nothing in this Notice, or in any of the settlement documents, is intended to provide any tax advice and you understand that Defendants, Defendants' counsel, Plaintiff, and Plaintiff's counsel are not giving any tax advice.

5. WHAT AM I GIVING UP IF I DO NOT OPT-OUT OF THE SETTLEMENT?

If the Settlement is approved, Plaintiff Walker, and each Participating Settlement Class Member, release and discharges Defendants and each of their past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures ("Released Parties") from the following claims and liabilities (the "Released Class Claims"):

All claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that are based on the facts and legal theories asserted in the operative complaint of the Action, or which relate to the primary rights asserted in the operative complaint, including without limitation claims for: (1) failure to pay minimum wage in violation of Labor Code sections 1194, 1197, 1198 and the applicable IWC Wage Order(s); (2) failure to pay overtime under California Labor Code §§ 510, 1194, 1198 and the applicable IWC Wage Order(s), (3) failure to furnish compliant meal periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (4) failure to furnish compliant rest periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (5) failure to pay wages due at cessation of employment in violation of Labor Code §§ 201-202; (6) failure to furnish accurate wage statements in violation of California Labor Code § 226(a); and (7) unlawful business practices under Unfair Competition Law including Business and Professions Code sections 17200 *et seq.*

In addition, as of the Effective Date, Plaintiff on behalf of himself, the Labor and Workforce Development Agency, and the other PAGA Settlement Members, release Defendants and Released Parties from any and all claims for civil penalties pursuant to PAGA based on the facts and legal theories asserted in the operative complaint of the Action, or which relate to the primary rights asserted in the operative complaint, including without limitation PAGA claims for (1) failure to pay minimum wage in violation of Labor Code sections 1194, 1197, 1198 and the applicable IWC Wage Order(s); (2) failure to pay overtime under California Labor Code §§ 510, 1194, 1198 and the applicable IWC Wage Order(s), (3) failure to furnish compliant meal periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (4) failure to furnish compliant rest periods in violation of Labor Code §§ 226.7, 512, and the applicable IWC Wage Order(s); (5) failure to pay wages due at cessation of employment in violation of Labor Code §§ 201-202; (6) failure to furnish accurate wage statements in violation of California Labor Code § 226(a); (7) failure to reimburse business expenses in violation of Labor Code section 2802. ("Released PAGA Claims").

If you do NOT exclude yourself by following the procedures set forth in this Notice and the Court approves the proposed Settlement, you will be deemed to have released the aforementioned claims, as appropriate, and will receive a payment. Even if you exclude yourself, you will still be bound by the release of the Released PAGA Claims if the Court approves this settlement.

1 **6. HOW DO I RECEIVE A PAYMENT?**

2 All Settlement Class Members will receive a payment under this Settlement unless they opt out. All
3 PAGA Settlement Members will receive a payment whether or not they opt out. If you are a Settlement
4 Class Member and/or PAGA Settlement Member and you move or change your address, and you want to
5 receive your payment at your new address, you must send a notice of your change of address to the
6 Settlement Administrator XXXXXX, ADDRESS, CITY, STATE ZIP, TELEPHONE, EMAIL.

7 **7. WHAT ARE MY RIGHTS AND OPTIONS?**

8 If you are a Settlement Class Member as defined above, you have the following rights and options
9 under the proposed Settlement:

10 **A. Participate in the Settlement, be represented by Class Counsel, and take no action.**

11 If you take no further action, you will be a Participating Settlement Class Member, will be
12 represented by Class Counsel, and will have the right to an Individual Settlement Payment. If the Settlement
13 is approved by the Court, you will be bound by the terms of the Settlement and, as set forth above, will be
14 deemed to have released your claims against Defendant. As a Participating Settlement Class Member, you
15 will not be charged for the services of Class Counsel.

16 **B. Participate in the Settlement but elect to hire your own attorney.**

17 If you do not wish to be represented by Class Counsel, you may hire your own attorney. Your
18 attorney must send a Notice of Appearance to the Settlement Administrator at the address listed below, so
19 that it is received no later than _____, 2024. You will be responsible for any attorneys' fees and
20 costs charged by your attorney.

21 **C. Exclude yourself from the Settlement by opting out.**

22 If you are a Settlement Class Member but do not want to participate in the settlement, you may
23 exclude yourself by opting out. If you choose to opt-out, you will lose any right to participate in the
24 settlement and you will not be eligible to receive an Individual Settlement Payment. You will be free to
25 pursue any claims you may have against Defendant on your own behalf, but Class Counsel will not represent
26 you.

27 In order to opt-out, you must notify the Settlement Administrator, in writing, at the address listed
28 below. In order to be effective, your opt-out must be postmarked or delivered to the Settlement
Administrator no later than [45 days from the mailing of the Class Notice], and must be signed, contain your
full name, current home (or mailing address), the last four digits of your Social Security number, and written
affirmation of your desire to optout containing the following or substantially similar language:

"I elect to opt out of the *Walker v. Auto Brakes, Inc.* class action settlement. I understand that by
doing so, I will not be able to participate in the settlement and will not receive a share of the
settlement."

If you do not comply with these procedures, you will lose any opportunity to exclude yourself from
the settlement, you will be a Participating Settlement Class Member, will be represented by Class Counsel,
and will receive an Individual Settlement Payment. If the settlement is approved by the Court, you will be

bound by the terms of the settlement and, as set forth above, will be deemed to have released your claims against Defendants.

D. Object to the terms of the Settlement.

If you are dissatisfied with the terms of the Settlement, you may object to the Settlement. All objections and supporting papers must (a) clearly identify the case name and number (i.e., *Walker v. Auto Brakes, Inc., et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2022-7517), (b) include your full name, address, telephone number, (c) concisely state the grounds for your objection, including the legal and factual arguments supporting that objection, (d) identify any witness(es) you intend to call to testify at the Final Approval Hearing, (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing, (f) indicate whether you are represented by counsel and, if so, identify such counsel, (g) indicate whether you would like to appear at the Final Approval Hearing, and (h) be signed. To be timely, your objection must be mailed to the Court and the Settlement Administrator, postmarked on or before **45 days following the mailing of the Notice**.

You also may, but are not required, to appear and present argument at the Final Approval Hearing. Objections not timely postmarked or delivered by **45 days after the mailing of the Notice** may not be considered by the Court. If you file an objection that is not timely, or that does not include the information specified above, you may have no right to appear and present any argument at the Final Approval Hearing, subject to the discretion of the Court. If you file an objection, Plaintiff and Defendant have the opportunity to respond in writing to your objection no later than seven (7) calendar days before the Final Approval Hearing.

You may be represented by an attorney at the Final Approval Hearing. Any attorney who will represent an individual objecting to the settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **15 calendar days before the Final Approval Hearing**. All objections or other correspondence must state the name and number of the case – *Walker v. Auto Brakes, Inc., et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2022-7517.

8. WHEN IS THE COURT HEARING AND WHAT IS IT FOR?

The Court will hold the Final Approval Hearing in the San Joaquin County Courthouse, Stockton Branch, 180 E Weber Ave., Stockton, California, 95202, on [REDACTED], 2024, at 9:00 a.m. in Department [REDACTED], to determine whether the settlement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve the fees and costs of the Settlement Administrator, the payment to the State of California, the Class Representative Enhancement Payment, and the fees and costs of Class Counsel. **It is not necessary for you to appear at this hearing to participate in the settlement.** If you want to be heard orally in support of or in opposition to the Settlement, either personally or through counsel, you must comply with the procedures set forth above.

9. HOW CAN I GET MORE INFORMATION?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the Class Action and PAGA Settlement Agreement and Release. The Class Action and PAGA Settlement Agreement and Release, as well as the pleadings and other records in this litigation, including Motion for Preliminary Approval, Motion for Final Approval, and Motion for Attorneys' Fees, Costs and Service Payment, are available by accessing the Court docket in this case through the Court's website at www.sjcourts.org, or by visiting the Clerk of the Court at any time between 9:00 a.m.

1 and 5:00 p.m., Monday through Friday, excluding Court Holidays, in the Clerk's Office located at 180 E
2 Weber Ave., Stockton, California 95202.

3 If you have questions about the Settlement, you may contact Class Counsel or the Claims
4 Administrator as follows:

5 **Class Counsel**

6 William J. Gorham, Esq.
7 Robert J. Wassermann, Esq.
8 Vladimir J. Kozina, Esq.
9 Mayall Hurley P.C.
2453 Grand Canal Blvd.
Stockton, CA 95207
Telephone: (209) 477-3833

10 **Claims Administrator**

11 Walker v. Auto Brakes, Inc., et al.
12 c/o [REDACTED]
13 [REDACTED]
[REDACTED] ADDRESS
[REDACTED] CITY, STATE ZIP
Telephone: () [REDACTED]

14 **PLEASE DO NOT WRITE OR TELEPHONE THE COURT FOR INFORMATION ABOUT THE**
15 **PROPOSED SETTLEMENT OR THIS LAWSUIT.**

16 **THE COURT HAS APPROVED THIS NOTICE.**