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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE – CIVIL COMPLEX CENTER

MIGUEL A. HUERTA ALVAREZ, individually, and on behalf of all others similarly situated, Plaintiff, vs. ASAS GROUP, INC., a California corporation; and DOES 1 through 10, inclusive, Defendants.	Case No.: 30-2025-01487413-CU-OE-CXC Assigned for All Purposes to: Hon. David A. Hoffer Department CX103 **CLASS & REPRESENTATIVE ACTION** **DECLARATION OF ABDUL SADRUDDIN IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Complaint Filed: June 3, 2025

I, Abdul Sadruddin, declare as follows:

1. I am an owner and authorized representative of Defendant ASAS Group, Inc. ("ASAS"). I have personal knowledge of the matters stated in this declaration and, if called as a witness, I could and would testify competently to them.

2. ASAS is an independently owned business that operates one Denny's restaurant franchise. ASAS is not a multi-location operator.

3. I reviewed and authorized the Class Action and PAGA Settlement Agreement in this action. The Settlement Agreement requires ASAS to pay a non-reversionary Gross Settlement Amount of $225,000. It also requires ASAS to pay, outside the Gross Settlement Amount, the employer payroll taxes attributable to the wage portions of the Individual Class Payments.

4. The Settlement Agreement allocates 20% of each Individual Class Payment to wages and 80% to interest and penalties. I understood that allocation when I authorized the settlement.

5. In fact, the 20% wage allocation was negotiated and was material to ASAS's decision to enter into the settlement and agreeing to the Gross Settlement Amount. ASAS evaluated the settlement based on its total expected funding obligation, including the $225,000 Gross Settlement Amount and the additional employer payroll taxes associated with the agreed wage allocation of 20%.

6. The settlement is already a substantial financial and operational burden for a small one-location business. ASAS agreed to it to obtain a final resolution of disputed claims and avoid the expense, uncertainty, and disruption of continued litigation. ASAS continues to deny liability and the scope of damages.

7. ASAS intends to fund the $225,000 Gross Settlement Amount and the associated employer payroll taxes through a combination of the corporation’s remaining operating cash reserves and funds that I will provide personally as a capital contribution/a shareholder loan/a combination of both. The corporate funds are currently held in ASAS’s account, and I will deposit the remaining personal funds sufficiently in advance of the funding deadline established by the Settlement Agreement. This plan is not contingent on bank financing, outside investors, or the collection of uncertain future receivables.

8. Funding the settlement will exhaust substantially all of ASAS’s remaining operating reserves. ASAS presently operates on thin margins, and customer counts are approximately 10% to 15% lower than before. The restaurant’s biweekly payroll is approximately $30,000, and current operating revenue frequently is insufficient to cover payroll and other weekly operating expenses without using the corporation’s reserves.

9. ASAS operates in an older building under a triple-net lease and is responsible for building maintenance and related property expenses. Its operating costs have increased substantially, including rent, property charges, insurance, food, minimum wages, and a recent approximately 60% increase in trash-service charges. ASAS also faces continuing repair and capital expenses involving its kitchen equipment, air-conditioning system, plumbing, customer restrooms, and restaurant furniture. A recent kitchen fire required ASAS to replace a fryer and repair gas lines. Denny’s has also requested

that the building be repainted as part of its franchise requirements.

10. Because of these financial constraints, ASAS has not been able to employ a full general manager. The restaurant currently operates with one manager and one assistant manager, and I personally perform minor repairs and maintenance to reduce contractor expenses. Depleting ASAS's remaining reserves to fund the settlement will leave the business without its existing emergency cushion for payroll, repairs, and other necessary operating obligations. I also must use personal savings to complete the settlement funding because ASAS cannot fund the entire obligation from business cash flow and reserves.

11. I understand that, an increased wage allocation would increase my payment obligations significantly, though the actual amount has not yet been determined.

12. Even a relatively small increase my employer-side payroll obligations for the wage portion of the settlement will have a profound impact on me and my business.

13. Increasing the wage allocation from 20% to 33 1/3% would increase the portion of the Net Settlement Amount treated as wages. The resulting increase in employer Social Security and Medicare taxes is presently estimated to be a couple thousand dollars potentially. The precise amount will depend on the final Court-approved deductions, employee-specific wage bases, and the calculations performed after a settlement administrator is appointed.

14. ASAS's funding plan has been calculated using its remaining operating reserves and the personal funds I can make available. ASAS does not have sufficient ordinary cash flow to absorb an unanticipated increase in the settlement-related payroll-tax obligation without further reducing the funds available for payroll, repairs, and other essential operating expenses or requiring me to provide additional personal funds. The 20% allocation was therefore material to my decision to authorize the settlement and to the funding plan ASAS developed in reliance on the executed agreement.

15. Changing that material term after execution would increase ASAS's obligation beyond the bargain I authorized.

16. ASAS respectfully requests that the Court approve the negotiated 20% wage allocation.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on October 23, 2026, at Orange County, California.



ABDUL SADRUDDIN