

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils (SBN 301629)
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aram.boyadjian@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com

WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

ANGEL CHAVARRIA, individually, and on
behalf of all others similarly situated,

Plaintiffs,

vs.

SOARES AUTOMOTIVE, INC. DBA
VICTORVILLE CHEVROLET, a Delaware
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2319781 (Lead Case)
Case No. CIVSB2329285

*Assigned for all purposes to:
Hon. Winston Keh
Dept. V11*

**DECLARATION OF ANGEL
CHAVARRIA IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: October 31, 2025
Time: 8:30 a.m.
Dept.: V11

1 I, Angel Chavarria, hereby declare as follows:

2 1. I have personal knowledge of the facts set forth herein and if called upon to testify, I
3 could and would do so competently under oath. I make this declaration in support of my Motion for
4 Preliminary Approval of Class Action and PAGA Settlement.

5 2. I worked for Defendant Soares Automotive, Inc. dba Victorville Chevrolet
6 ("Defendant"), as an hourly-paid, non-exempt lube technician from approximately November 2021
7 to December 2022. My Job duties included, among other duties, performing oil changes, changing
8 tires, performing engine diagnostics, replacing brakes, and performing suspension work on vehicles.

9 3. Based on my experience and knowledge of Defendant's wage and hour policies and
10 my familiarity with its employment practices, I worked with my attorneys to bring claims on my own
11 behalf as well as on behalf of other hourly-paid, non-exempt employees of Defendant.

12 4. I am seeking to become a class representative in this case. I believe my experiences
13 are similar to other hourly-paid, non-exempt employees of Defendant. I believe we were all subject
14 to the same employment policies and practices.

15 5. I do not have any conflicts with other hourly-paid, non-exempt employees that
16 would interfere with my ability to represent them. I believe I will adequately represent the other
17 hourly-paid, non-exempt employees of Defendant.

18 6. My interests as a named plaintiff in this case are not adverse to the interests of
19 the other hourly-paid, non-exempt employees. I believe my interests are the same as the other
20 employees because we were all subject to the same policies and practices and were similarly
21 injured by Defendant's company-wide policies and practices. I am seeking the same recovery on
22 behalf of myself and the other employees, which is to collect unpaid wages, penalties, and interest
23 that are owed to us by Defendant.

24 7. I have always kept the best interests of the other hourly-paid, non-exempt
25 employees in mind while performing my duties as the named plaintiff in this case. I have been
26 committed throughout the course of this case to vigorously prosecuting this case on behalf of
27 myself and the other employees. I believe that I have demonstrated my ability to advocate for
28 the interests of the other hourly-paid, non-exempt employees by initiating this lawsuit,

1 providing documents and information to my attorneys, keeping in regular contact with my
 2 attorneys regarding the status of the case, assisting my attorneys prepare for mediation and being
 3 available on the day of mediation to answer questions, reviewing the memorandum of
 4 understanding and long-form settlement agreement to make sure it was fair. I estimate that since
 5 I retained my counsel in March 2023, I have spent approximately 40 hours on this case.

6 8. I will continue to actively participate in this lawsuit as necessary and will continue to
 7 make myself available to assist in this case moving forward as needed.

8
 9 I declare under penalty of perjury under the laws of the State of California that the
 10 foregoing is true and correct.

11 Executed on 10/15/2025, at Victorville, California.

12 DocuSigned by:
 13 Chavarria A.
 14 D9220840C8DD4D7...
 15 Angel Chavarria

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils (SBN 301629)
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aram.boyadjian@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com

WILSHIRE LAW FIRM

660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

ANGEL CHAVARRIA, individually, and on
behalf of all others similarly situated,

Plaintiffs,

vs.

SOARES AUTOMOTIVE, INC. DBA
VICTORVILLE CHEVROLET, a Delaware
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2319781 (Lead Case)
Case No. CIVSB2329285

*Assigned for all purposes to:
Hon. Winston Keh
Dept. V11*

**DECLARATION OF ISAAC MERCADO
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: October 31, 2025
Time: 8:30 a.m.
Dept.: V11

I, Isaac Mercado, hereby declare as follows:

1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath. I make this declaration in support of my Motion for Preliminary Approval of Class Action and PAGA Settlement.

2. I worked for Defendant Soares Automotive, Inc. dba Victorville Chevrolet (“Defendant”), as an hourly-paid, non-exempt service rider from approximately May 2024 to June 2024. My Job duties included, among other duties, selling service items and products (i.e., cabin air filters, brakes, tires).

3. Based on my experience and knowledge of Defendant’s wage and hour policies and my familiarity with its employment practices, I worked with my attorneys to bring claims on my own behalf as well as on behalf of other hourly-paid, non-exempt employees of Defendant.

4. I am seeking to become a class representative in this case. I believe my experiences are similar to other hourly-paid, non-exempt employees of Defendant. I believe we were all subject to the same employment policies and practices.

5. I do not have any conflicts with other hourly-paid, non-exempt employees that would interfere with my ability to represent them. I believe I will adequately represent the other hourly-paid, non-exempt employees of Defendant.

6. My interests as a named plaintiff in this case are not adverse to the interests of the other hourly-paid, non-exempt employees. I believe my interests are the same as the other employees because we were all subject to the same policies and practices and were similarly injured by Defendant’s company-wide policies and practices. I am seeking the same recovery on behalf of myself and the other employees, which is to collect unpaid wages, penalties, and interest that are owed to us by Defendant.

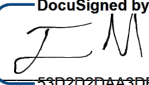
7. I have always kept the best interests of the other hourly-paid, non-exempt employees in mind while performing my duties as the named plaintiff in this case. I have been committed throughout the course of this case to vigorously prosecuting this case on behalf of myself and the other employees. I believe that I have demonstrated my ability to advocate for the interests of the other hourly-paid, non-exempt employees by joining this lawsuit as a named

1 plaintiff, providing documents and information to my attorneys, keeping in regular contact with
2 my attorneys regarding the status of the case, assisting my attorneys prepare for mediation and
3 being available on the day of mediation to answer questions, reviewing the memorandum of
4 understanding and long-form settlement agreement to make sure it was fair. I estimate that since
5 I retained my counsel in June 2024, I have spent approximately 30 hours on this case.

6 8. I will continue to actively participate in this lawsuit as necessary and will continue to
7 make myself available to assist in this case moving forward as needed.

8
9 I declare under penalty of perjury under the laws of the State of California that the
10 foregoing is true and correct.

11 Executed on 10/15/2025, at Hesperia, California.

12 DocuSigned by:
13 
14 53D2D2DAA3DB4ED...
Isaac Mercado

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bills (SBN 301629)
jeffrey.bills@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aram.boyadjian@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com

WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

ANGEL CHAVARRIA, individually, and on
behalf of all others similarly situated,

Plaintiffs,

vs.

SOARES AUTOMOTIVE, INC. DBA
VICTORVILLE CHEVROLET, a Delaware
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2319781 (Lead Case)
Case No. CIVSB2329285

*Assigned for all purposes to:
Hon. Winston Keh
Dept. V11*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: October 31, 2025
Time: 8:30 a.m.
Dept.: V11

1 I, John G. Yslas, hereby declare as follows:

2 1. I am an attorney at law licensed to practice before all of the courts of the State of
3 California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiffs Angel
4 Chavarria (“Plaintiff Chavarria”) and Isaac Mercado (“Plaintiff Mercado”) (collectively,
5 “Plaintiffs”) in this matter. I am thoroughly familiar with and have personal knowledge of all of
6 the facts set forth herein.

7 2. I submit this declaration in support of the Motion for Preliminary Approval of Class
8 Action and PAGA Settlement.

9 **Procedural History**

10 3. On August 22, 2023, Plaintiff Chavarria filed the Class Action against Defendant
11 Soares Automotive, Inc. dba Victorville Chevrolet (“Defendant”) alleging: (1) failure to pay
12 minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal
13 periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at
14 termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify
15 employees for expenditures; (8) failure to produce requested employment records; and (9) unfair
16 business practices (“Class Action”).

17 4. On October 17, 2023, Plaintiff Chavarria provided written notice to the LWDA and
18 Defendant of his intention to file a PAGA claim (LWDA-CM-988159-23). A true and correct copy
19 of the notice to the LWDA is attached hereto as **Exhibit 3**. The LWDA did not notify Plaintiff
20 Chavarria that it intended to investigate. Therefore, on November 13, 2023, Plaintiff Chavarria
21 filed a PAGA Representative Action Complaint for civil penalties pursuant to Labor Code § 2699,
22 *et seq.* (“PAGA Action”).

23 5. The Parties subsequently participated in a private mediation with mediator Kevin T.
24 Barnes, on November 26, 2024. With the help of Mr. Barnes, the Parties were ultimately able to
25 reach an agreement on general settlement terms and executed a Memorandum of Understanding
26 shortly thereafter. The negotiations were adversarial, conducted at arm’s length, and tempered by
27 the efforts of both sides to serve the interests of their clients.

6. The parties negotiated the terms of the Settlement over the next several months and ultimately finalized the Settlement Agreement. A true and correct copy of the fully executed Settlement Agreement is attached hereto as **Exhibit 1**. Attached thereto as **Exhibit A** is a true and correct copy of the Arbitration Agreement No. One referenced in the Settlement Agreement. Attached thereto as **Exhibit B** is a true and correct copy of the Parties' proposed Class Notice.

7. On October 9, 2025, the Parties filed a stipulation requesting the Court grant Plaintiff Chavarria leave to file the First Amended Class and PAGA Representative Complaint (“FAC” or “Operative Complaint”) consolidating the Class Action and PAGA Action and adding Plaintiff Mercado to the complaint. Upon the Court granting leave, Plaintiffs counsel on behalf of Plaintiffs will file the FAC.

8. On October 15, 2025, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 2**.

Investigation and Exposure Analysis

9. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable laws, and potential defenses. Plaintiffs' Counsel assessed the value to the class claims using the documents and data Defendant produced in informal discovery, including class data providing the dates of employment for Class Members, Plaintiffs' personnel files, employment handbooks and policies, job descriptions, and a representative sampling of time and payroll records. Plaintiffs' Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

10. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. Defendant's records show that there are approximately 95 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweighs any potential recovery.

1 11. Plaintiffs have alleged that Defendant maintained common employment policies
2 and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods,
3 reimbursements for business expenses, accurate wage statements, and timely payment of wages
4 upon separation of employment. These allegations present common factual and legal questions of,
5 *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest
6 period, and reimbursement policies to all Class Members, whether these policies and practices
7 resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class
8 Members are entitled to damages and/or penalties. These common questions could be resolved
9 using Class Members' time records, payroll records, testimony from Defendant's designated
10 representative(s), and Class Members' testimony.

11 12. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks
12 at succeeding at class certification and through trial affected the valuation of the claims for
13 settlement purposes.

14 13. Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage
15 claims were based on the allegation that Defendant required Class Members to perform work duties
16 before clocking in. Based on Plaintiffs' estimate that they worked a total of 1 hour off-the-clock
17 each week, Plaintiffs' Counsel assumed each Class Member worked 1-hour off-the-clock per week
18 in calculating potential exposure to be approximately \$24,433.92 for these claims. However,
19 Defendant argued that any off-the-clock time was undocumented and unknown to Defendant, and
20 that Defendant was therefore not obligated to pay for this time. Because this claim would have
21 relied heavily on Class Member testimony and would not be evidenced in Defendant's time and
22 payroll records, the risk of succeeding at class certification was substantial. Accordingly,
23 Plaintiffs' Counsel applied a risk discount based on a 90% chance of succeeding at class
24 certification and at trial on the merits, yielding a realistic damage estimate of approximately
25 \$19,791.48 (\$24,433.92 x 90% x 90%), or approximately 12% of the Gross Settlement Amount.

26 14. Meal Periods: Plaintiffs' meal period claim was based on the allegation that
27 Defendant failed to maintain a policy and practice of paying meal period premiums when Class
28 Members' meal periods were late, short, or missed. Plaintiffs' Counsel found a violation rate of

1 approximately 79.4% in Defendant's time and payroll records and calculated potential exposure
2 on this claim to be approximately \$59,705.63. While Defendant argued that it paid some meal
3 period premiums and that Class Members signed meal period waivers. Accordingly, Plaintiffs'
4 Counsel applied a risk discount based on a 70% chance of succeeding at class certification and a
5 65% chance of succeeding at trial on the merits, yielding a realistic damage estimate of
6 approximately \$27,166.06 ($\$59,705.63 \times 70\% \times 65\%$), or approximately 17% of the Gross
7 Settlement Amount.

8 15. Rest Breaks: Plaintiffs' rest break claim was based on the allegation that Defendant
9 failed to provide Class Members rest periods and/or failed to maintain a policy and practice of
10 paying rest break premiums when Class Members' rest breaks were late, short, or missed.
11 Plaintiffs' Counsel applied a 100% violation rate to all shifts over 3.5 hours and calculated a
12 potential exposure of \$75,196.01 for this claim. However, Defendant argued that a 100% violation
13 rate was unrealistic. Because this claim would have relied exclusively on Class Member testimony,
14 Plaintiffs' Counsel applied a risk discount based on a 50% chance of succeeding at class
15 certification and a 50% chance of succeeding at trial on the merits, yielding a realistic damage
16 estimate of approximately \$18,799.00 ($\$75,196.01 \times 50\% \times 50\%$), or approximately 12% of the
17 Gross Settlement Amount.

18 16. Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that
19 Defendant required Class Members to use their personal cell phones, laptops and purchase their
20 own work tools/materials and gear to carry out their job duties (e.g., torque wrenches and guns,
21 sockets, work boots, Post-its, pens). Based on Plaintiffs' estimate that they incurred \$30 in
22 unreimbursed expenses per month, Plaintiffs' Counsel assumed each Class Member incurred \$30
23 in unreimbursed expenses per month in calculating potential exposure to be approximately
24 \$6,817.50 for this claim. However, Defendant argued that these expenses were not required by
25 Defendant and highly individualized. Accordingly, Plaintiffs' Counsel could not attribute any
26 value to this claim in terms of settlement value.

27 17. Derivative Penalties: Plaintiffs alleged that as a result of Defendant's alleged failure
28 to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties

1 and wage statement penalties. However, Defendant argued that it had good faith defenses that made
2 the imposition of these penalties unwarranted. Moreover, Plaintiffs could not recover these
3 penalties if they failed to prove the underlying claims. Plaintiffs' Counsel calculated that potential
4 exposure for the waiting time penalty claim was approximately \$123,973.16 (assuming 30 days
5 per employee at 8.6 hours per day, based on the average hours per shift), and approximately
6 \$260,483.87 for the wage statement penalty claim (based on \$50 for the first violations and \$100
7 for subsequent violations, with a \$4,000 employee maximum). However, considering that the
8 underlying claims are realistically estimated to be approximately \$65,756.54, such a
9 disproportionate award would also raise due process concerns. As such, Plaintiffs discounted the
10 figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation
11 of approximately \$30,993.29 ($\$123,973.16 \times 50\% \times 50\%$) for waiting time penalty claims, or
12 approximately 19% of the Gross Settlement Amount and approximately \$58,608.87 ($\$260,483.87$
13 $\times 50\% \times 45\%$) for wage statement penalty claims, or approximately 37% of the Gross Settlement
14 Amount.

15 18. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's
16 potential exposure could potentially reach \$274,900.00, assuming the initial \$100 penalty would
17 apply for each of the 2,749 pay periods in the PAGA Period. However, even assuming success on
18 the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of
19 reasons, including whether the amount of the award would be unjust, arbitrary and oppressive, or
20 confiscatory. As such, Plaintiffs allocated \$10,000.00 of the Gross Settlement Amount to settle the
21 PAGA claims, or approximately 6% of the Gross Settlement Amount.

22 **Plaintiffs' Counsel's Qualifications**

23 19. Plaintiffs are represented by WLF. The attorneys at WLF performed significant
24 work and expended litigation costs in prosecuting this matter with no guarantee of payment.

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

1 California.

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

6 22. I graduated from the University of California, Santa Barbara with High Honors in
7 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
8 School in 1996.

9 23. Upon graduating from law school in 1996, I worked for a boutique law firm
10 practicing general litigation which included employment law matters. Since 2000 (that is, the last
11 25 years) my practice has been exclusively focused on labor and employment matters including
12 handling wage and hour class, collective and representative actions (including the California
13 Private Attorneys General Act, or “PAGA”), including in the international law firms of Morgan,
14 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
15 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright
16 LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the
17 Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or
18 took a major leading role in defending employers on numerous wage and hour class, collective and
19 representative actions.

20 24. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire
21 Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and
22 hour class and representative actions litigating such matters on behalf of plaintiff employees in
23 numerous Superior Courts and District Courts. From matters representing both plaintiffs and
24 defendants, I have successfully mediated the resolution of many wage and hour class, collective,
25 and representative actions. Just since starting to settle cases in late April 2023 I have already
26 successfully mediated matters in which I have been counsel or co-counsel resulting in **more than**
27 **\$173 million** in settlements and verdicts which are in the process of being finalized, and with
28 numerous upcoming mediations scheduled. In those and numerous other matters, I have managed

1 and assisted with the litigation and settlement of many wage and hour PAGA and class actions. In
2 those actions, I performed similar tasks as those performed in the course of prosecuting this action.
3 Indeed, I recently tried and prevailed in achieving a jury verdict in a wage and hour class action in
4 the matter of *Aguilar-Flores v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No.
5 19STCV36438, (damages anticipated in the future and a motion for attorney's fees to be filed after
6 that).

7 25. I have received numerous awards for my legal work. For example, from 2015 to
8 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
9 I have also served on numerous prominent boards and in other leadership positions, including
10 serving as Southern California Regional President for the Hispanic National Bar Association and
11 on the board of directors of the Mexican American Bar Foundation. I also previously served on the
12 5-member Los Angeles Civil Service Commission, which generally oversees the personnel
13 decisions for the City of Los Angeles.

14 26. I have also published numerous blogs on labor and employment issues including on
15 wage and hour issues. For example, I published "Headline News: Wal-Mart v. Dukes-Impact on
16 Class Action Litigation" (while a partner with Foley & Lardner LLP) and "Are You Really
17 Protected From Wage-and-Hour Successor Liability in an Asset Purchase" (while a partner with
18 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a
19 presenter involving the "Employment Law Update" at a National Employment Law Council
20 conference.

21 27. Samantha A. Smith was a Senior Attorney at WLF where her practice was focused
22 on managing wage and hour class action and PAGA settlements. Ms. Smith was admitted to the
23 California Bar in December of 2004, and received a J.D. from University of California, Hastings
24 College of the Law and a B.A. from University of California, Davis. Ms. Smith has dedicated her
25 21-year career to plaintiffs'-side class action litigation. Her wealth of experience includes
26 successful work on all stages of class action litigation, including class action appeals, class
27 certification motions, and class settlements. See, e.g., *Blue Diamond Growers Product Labeling*
28 *Cases*, JCCP No. 4822 (Los Angeles County Superior Court) (false advertising of Blue Diamond

1 food products); *Adam vs. eHealth, Inc.*, Case No. 17CV309050 (Santa Clara County Superior
2 Court) (employee data breach); *Overton v. Armour-Eckrich Meats, LLC*, Case No. CIVDS1501325
3 (San Bernardino County Superior Court) (unpaid wages, meal period and rest break claims, and
4 PAGA violations for non-exempt employees); *DeLeon et al. v. Westlake Services, LLC*, Case No.
5 BC 526750 (Los Angeles County Superior Court) (unpaid overtime, meal period and rest break
6 claims for call center employees); *Sawyer v. Retail Data, LLC*, Case No. 30-2014-00753767-CU-
7 OE-CXC (Orange County Superior Court) (unpaid wage and rest break claims for piece rate
8 workers); *Nguyen v. Pharmerica Corporation et al.*, Case No. 30-2014-00716072-CU-OE-CXC
9 (Orange County Superior Court) (unpaid wages and unreimbursed expenses for pharmacists);
10 *Laumea v. Performance Food Group, Inc.*, Case No. CIVDS1407509 (San Bernardino County
11 Superior Court) (unpaid wages, meal and rest break claims for non-exempt employees); *Durroh v.*
12 *East West Bank*, Case No. BC528860 (Los Angeles County Superior Court) (overtime claims for
13 failure to include bonuses in regular rate of pay for bank workers); *Gonzalez et al. v. SFFI*
14 *Company, Inc. et al.*, Case No. CIVDS1504287 (San Bernardino County Superior Court) (unpaid
15 wages, meal period and rest break claims for non-exempt employees).

16 28. Jeffrey C. Bils is an eleventh-year Senior Attorney at WLF. He graduated from the
17 University of Wisconsin–Madison with a Bachelor of Arts in Journalism and German, and received
18 his Juris Doctor from the University of California, Los Angeles School of Law in 2014. During law
19 school, he was a Senior Editor on the UCLA Law Review and an Articles Editor on the
20 Entertainment Law Review. Mr. Bils served as a Judicial Extern for the Hon. Consuelo Bland
21 Marshall in United States District Court for the Central District of California, and also for the Hon.
22 Sandra R. Klein of United States Bankruptcy Court for the Central District of California. Mr. Bils
23 graduated ranked No. 7 in his graduating class from UCLA School of Law. He was admitted to
24 practice law in the State of California in 2014. Since graduating from law school, he has focused
25 his legal work primarily on employment matters, including wage-and-hour class action and PAGA
26 representative action litigation, and he has helped obtain dozens of settlements on behalf California
27 workers, as well as on behalf of California employers during his years on the defense bar. Mr. Bils
28 is a member of the Beverly Hills Bar Association (BHBA), where he is a past member of the Board

1 of Governors and a past Chair of the Labor & Employment Law Section Executive Committee. He
2 is also a member of the California Employment Lawyers Association (CELA) and the Consumer
3 Attorneys Association of Los Angeles (CAALA).

4 29. Aram Boyadjian is a fifth-year Associate Attorney at WLF. He was admitted to
5 practice law in the State of California in 2021. Aram graduated from the University of California,
6 Los Angeles, with a Bachelor of Arts in Political Science. He received his Juris Doctor from Loyola
7 Law School. During law school, he was a member of the student editorial board for the
8 International and Comparative Law Review. Since January 2021, his practice has mainly been
9 focused on wage and hour class action litigation.

10 30. Lisa B. Iturriaga is a Settlement Attorney at Wilshire Law Firm, PLC. She was
11 admitted to practice law in the State of California in 2021. Ms. Iturriaga graduated from University
12 of South Florida with a Bachelor of Science in Finance and a Bachelor of Arts in Marketing. She
13 received her Juris Doctor from Chapman University Dale E. Fowler School of Law. Since
14 graduating, her practice has been in insurance defense (previously) and employment law
15 (currently). Since 2023, she has exclusively worked on Plaintiff-side wage and hour cases. Ms.
16 Iturriaga is also a member of the California Employment Lawyers Association (CELA).

17 31. Andrew Sandoval is a third-year Associate Attorney at WLF. He was admitted to
18 practice law in the State of California in 2022. Andrew graduated from Azusa Pacific University
19 with a Bachelor of Arts in Economics. He received his Juris Doctor from Loyola Law School.
20 During law school, he was a Vice-President of La Raza de Loyola. Since graduating, his practice
21 has mainly been focused on wage and hour class action litigation.

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

24 Executed on October 15, 2025 at Los Angeles, California.

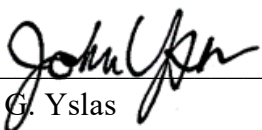
25
26 
27 John G. Yslas
28

EXHIBIT 1

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Jeffrey C. Bils (SBN 301629)
jeffrey.bils@wilshirelawfirm.com
Aram Boyadjian (SBN 334009)
aram.boyadjian@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
Andrew Sandoval (SBN 346996)
andrew.sandoval@wilshirelawfirm.com

WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

[ADDITIONAL COUNSEL ON FOLLOWING PAGE]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

ANGEL CHAVARRIA, individually, and on
behalf of all others similarly situated,

Plaintiff,

vs.

SOARES AUTOMOTIVE, INC. DBA
VICTORVILLE CHEVROLET, a Delaware
corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. CIVSB2319781 (Lead Case)
Case No. CIVSB2329285

*Assigned for all purposes to:
Hon. Winston Keh
Dept. VII*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

1 Spencer C. Skeen (SBN 182216)
2 spencer.skeen@ogletree.com
3 Tim L. Johnson (SBN 265794)
4 tim.johnson@ogletree.com
5 Cameron J. Davila (SBN 313438)
6 cameron.davila@ogletree.com
7 **OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.**
8 4660 La Jolla Village Drive, Suite 900
9 San Diego, California 92122
10 Telephone: (858) 652-3100
11 Facsimile: (858) 652-3101

12 Attorneys for Defendant Soares Automotive, Inc. dba Victorville Chevrolet
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Angel Chavarria and Isaac Mercado (together, “Plaintiffs”) and Defendant Soares Automotive, Inc. dba Victorville Chevrolet (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1 “Actions” means Plaintiffs’ lawsuits alleging class action wage and hour violations against Defendant captioned *Angel Chavarria v. Soares Automotive, Inc. dba Victorville Chevrolet*, San Bernardino County Superior Court, Case No. CIVSB2319781, filed on August 22, 2023 (“Class Action”) and Case No. CIVSB2329285, filed on November 13, 2023 (“PAGA Action”).

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

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

1.4 “Aggrieved Employee” means all current and former non-exempt, hourly employees employed by Defendant in the State of California during the PAGA Period.

1.5 “Arbitration Agreement” means the arbitration agreement referred to as Arbitration Agreement No. One attached hereto as **Exhibit A**.

1.6 “Class” or “Class Member” means all non-exempt, hourly individuals that worked for Defendant in California during the Class Period that only signed the arbitration agreement referred to as “Arbitration Agreement No. One”.

1.7 “Class Counsel” means John G. Yslas, Jeffrey C. Bills, Aram Boyadjian, Lisa B. Iturriaga and Andrew Sandoval of Wilshire Law Firm, PLC.

1.8 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiffs’ will request approval from the Court of up to one-third (1/3) of the GSA (currently \$53,333.33).

1.9 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Actions, not to exceed \$25,000.00, and paid from the Gross Settlement Amount.

1.10 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks and/or PAGA Pay Periods.

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

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

1.13 “Class Notice” means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as **Exhibit B** and incorporated by reference into this Agreement.

1.14 “Class Period” or “Class Settlement Period” means the period from August 22, 2019 through February 1, 2025 (“Settlement Class Period”).

1.15 “Class Representative(s)” means the named Plaintiffs Angel Chavarria and Isaac Mercado in the Actions.

1.16 “Class Representative Service Payment(s)” or “Enhancement Award(s)” means the payment to the Class Representatives for initiating the Actions and providing services in support of the Action.

1.17 “Court” means the Superior Court of California, County of San Bernardino.

1.18 “Defendant” means named Defendant Soares Automotive, Inc. dba Victorville Chevrolet.

1.19 “Defense Counsel” means Spencer C. Skeen, Tim L. Johnson and Cameron J. Davila of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

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

1.21 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.22 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.23 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.24 “Gross Settlement Amount” or “GSA” means \$160,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representatives’ Service Payments, and the Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, with no claim forms required, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.

1.25 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.26 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.27 “Judgment” means the judgment entered by the Court based upon the Final Approval.

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

1.29 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.30 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment (which includes Individual PAGA Payments), Enhancement Awards, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

1.32 “Operative Class Complaint” means the operative class action complaint filed in the Class Action.

1.33 “Operative PAGA Complaint” means the operative PAGA complaint filed in the PAGA Action.

1.34 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.35 “PAGA Period” means the period from October 17, 2022 through February 1, 2025.

1.36 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.37 “PAGA Notice” means Plaintiff Angel Chavarria’s October 17, 2023 letter (LWDA-CM-988159-23) to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.38 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$10,000.00), allocated 25% to the Aggrieved Employees (\$2,500.00) and 75% to LWDA (\$7,500.00) in settlement of PAGA claims.

1.39 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.40 “Plaintiffs” means Angel Chavarria and Isaac Mercado the named plaintiffs in the Actions.

1.41 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.42 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.43 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.44 “Released Parties” means Defendant and each of its former and present insurers, brands, concepts, affiliates, subsidiaries, parent companies, predecessors, successors, assigns, employees, officers, directors, agents, attorneys, administrators, representatives, heirs, estates, powers-of-attorney, and any individual or entity that could be jointly liable with Defendant.

1.45 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.46 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.47 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

1 1.48 “Workweek” means any week during which a Class Member worked for Defendant for
2 at least one day, during the Class Period.

3 2. **RECITALS.**

4 2.1 On August 22, 2023, Plaintiff Angel Chavarria filed the Class Action alleging Defendant
5 (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed
6 to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay
7 final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to
8 indemnify employees for expenditures; (8) failed to produce requested employment records; and
9 (9) violated California’s Unfair Competition Law, California Business and Professions Code
10 section 17200, *et seq.*

11 2.2 On October 17, 2023, pursuant to Labor Code §2699.3, subd.(a), Plaintiff Angel
12 Chavarria gave notice to the LWDA and Defendant that Plaintiff Angel Chavarria intended to
13 proceed with a representative action under PAGA (LWDA-CM-988159-23). On November 13,
14 2023, Plaintiff Angel Chavarria filed the PAGA Action, alleging claims for penalties pursuant to
15 Labor Code § 2699, *et seq.*, stemming from Defendant’s alleged failure to pay for all hours
16 worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to
17 authorize and permit rest periods, failure to pay all earned wages twice per month, failure to
18 maintain accurate records of hours worked and meal periods, failure to timely pay final wages,
19 failure to furnish accurate wage statements, and failure to indemnify employees for expenditures,
20 and failure to produce requested employment records.

21 2.3 Defendant denies the allegations in the Actions, denies any failure to comply with the
22 laws identified in the Actions, and denies any and all liability for the causes of action alleged in
23 the Actions.

24 2.4 On November 26, 2024, the Parties participated in an all-day mediation presided over
25 by mediator Kevin T. Barnes. With the help of Mr. Barnes, the Parties were able to reach an
26 agreement on general settlement terms and executed a Memorandum of Understanding thereafter.

27 2.5 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
28 of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a

1 representative sampling of time and payroll data for Class Members and the necessary policy
2 documents through informal discovery to properly evaluate the strengths and weakness of the
3 claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient
4 to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48
5 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-
6 130 (2008) ("*Dunk/Kullar*").

7 2.6 The Court has not granted class certification because the Parties engaged in mediation
8 before any class certification.

9 2.7 This Agreement represents a compromise and settlement of highly disputed claims.
10 Nothing in this Agreement is intended or will be construed as an admission by Defendant that the
11 claims in the Action of Plaintiffs or the Class have merit or that Defendant bears any liability to
12 Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that
13 Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for
14 purposes of this Settlement only. If for any reason the settlement does not become effective,
15 Defendant reserves the right to contest certification of any class for any reason and reserves all
16 available defenses to the claims in the Action. If the court does not grant either preliminary or
17 final approval of the settlement, the Parties will stipulate that the case will be returned to its status
18 as of November 26, 2024.

19 2.8 As part of this Settlement Agreement, the parties agreed to dismiss the PAGA Action
20 without prejudice and stipulate to the filing of an amended (Consolidated) Class Action and
21 PAGA Representative Action Complaint that consolidates the Class Action in state court with the
22 PAGA Action. The Consolidated Class Action and PAGA Representative Action Complaint shall
23 also add plaintiff Isaac Mercado. The First Amended (Consolidated) Class Action and PAGA
24 Representative Action Complaint shall be the operative complaint in the Action (the "Operative
25 Complaint")

26 2.9 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
27 other pending matter or action asserting claims that will be extinguished or affected by the
28 Settlement.

1 3. **MONETARY TERMS.**

2 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
3 Defendant will pay \$160,000.00 to fully settle, resolve, and extinguish all claims asserted in the
4 Actions, including without limitation all claims asserted in the PAGA Notice. The Gross
5 Settlement Amount is all-inclusive of all payments contemplated in this resolution and non-
6 reversionary but does not include employer payroll taxes owed on the wage portions of the
7 Individual Class Payments, which Defendant will pay separately. Defendant has no obligation to
8 pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph
9 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount
10 without asking or requiring Participating Class Members or Aggrieved Employees to submit any
11 claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

12 3.2 Payments from the Gross Settlement Amount. Subject to the terms and conditions of this
13 Agreement, the Administrator will make and deduct the following payments from the Gross
14 Settlement Amount, in the amounts specified by the Court in the Final Approval:

15 3.2.1 To Plaintiffs': A payment for the Enhancement Award to each Plaintiff of not more
16 than \$5,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment
17 the Class Representatives are entitled to receive as a Participating Class Member. Defendant will
18 not oppose Plaintiffs' request for an Enhancement Award that does not exceed this amount. As
19 part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will
20 seek Court approval for any Enhancement Award no later than 16 (sixteen) court days prior to
21 the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an
22 Enhancement Award less than the amount requested, the Administrator will retain the remainder
23 in the Net Settlement Amount to be distributed to Participating Class Members. The
24 Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiffs assume full
25 responsibility and liability for employee taxes owed on the Enhancement Award.

26 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3)
27 of the GSA, which is currently estimated to be \$53,333.33 and a Class Counsel Litigation
28 Expenses Payment for actual costs for up to \$25,000.00. Defendant will not oppose requests for

these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than 16 (sixteen) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed \$6,250.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

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

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage

withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$10,000.00 to be paid from the Gross Settlement Amount, with 75% (\$7,500.00) allocated to the LWDA PAGA Payment and 25% (\$2,500.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$2,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 95 Class Members who collectively worked a total of 909 Workweeks during the Class Period and 77 Aggrieved Employees who collectively worked a total of 2,749 Pay Periods during the PAGA Period.

4.2 Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement

1 and for no other purpose, and restrict access to the Class Data to Administrator employees who
2 need access to the Class Data to effect and perform under this Agreement. Defendant has a
3 continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted
4 class member identifying information and to provide corrected or updated Class Data as soon as
5 reasonably feasible. Without any extension of the deadline by which Defendant must send the
6 Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts,
7 in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
8 Data.

9 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
10 Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting
11 the funds to the Administrator no later than 30 (thirty) calendar days after the Effective Date.

12 4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant
13 fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all
14 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the
15 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the
16 Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel
17 Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of
18 Individual Class Payments and Individual PAGA Payments.

19 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or
20 Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail,
21 postage prepaid. The face of each check shall prominently state the date (180 days after the date
22 of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all
23 checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement
24 Payments to all Participating Class Members (including those for whom the Class Notice was
25 returned undelivered). The Administrator will send checks for Individual PAGA Payments to all
26 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
27 Employees (including those for whom Class Notice was returned undelivered). The Administrator
28 may send Participating Class Members a single check combining the Individual Class Payment

1 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
2 must update the recipients' mailing addresses using the National Change of Address Database.

3 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
4 Members whose checks are returned undelivered without USPS forwarding address. Within seven
5 (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
6 forwarding address provided or to an address ascertained through the Class Member Address
7 Search. The Administrator need not take further steps to deliver checks to Class Members whose
8 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
9 replacement check to any Class Member whose original check was lost or misplaced, requested
10 by the Class Member prior to the void date.

11 4.4.3 For any Class Member whose Individual Class Payment check and/or Individual
12 PAGA Payment check is uncashed and canceled after the void date, the Administrator shall
13 transmit the funds represented by such checks to the California Controller's Unclaimed Property
14 Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the
15 requirements of California Code of Civil Procedure Section 384, subd. (b).

16 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall
17 not obligate Defendant to confer any additional benefits or make any additional payments to Class
18 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

19 5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross
20 Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual
21 Class Payments, Plaintiffs, Class Members, Aggrieved Employees, the LWDA, and Class
22 Counsel will release claims against all Released Parties as follows:

23 5.1 **Plaintiffs' Release.** In addition to the claims released under Sections 5.2 and 5.3
24 below, Plaintiffs individually and on behalf of their respective former and present spouses,
25 representatives, agents, attorneys, heirs, administrators, successors, and assigns agree to a general
26 release and discharge Released Parties from any and all claims, transactions, or occurrences—
27 which will include without limitation to: (a) all claims that were, or reasonably could have been,
28 alleged, based on the facts contained, in the Operative Complaint; (b) all PAGA claims that were,

1 or reasonably could have been, alleged based on facts contained in the Operative Complaint, the
2 PAGA Notices, or ascertained during the Actions and released under 5.2 and 5.3, below; and (c)
3 any and all claims which in any way relate to Plaintiffs' employment with Defendant, under State
4 or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Complaint
5 or not, including but not limited to any claims under the Fair Labor Standards Act ("FLSA"),
6 Title VII, Americans with Disabilities Act ("ADA"), Fair Employment and Housing Act
7 ("FEHA"), Age Discrimination in Employment Act ("ADEA"), Private Attorneys General Act
8 ("PAGA"), California Labor Code, or any Industrial Welfare Commission Wage Order—now
9 existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence
10 from the beginning of time to the date of execution hereof ("Plaintiffs' Release"). Plaintiffs'
11 Release do not extend to any claims or actions to enforce this Agreement, or to any claims for
12 vested benefits, unemployment benefits, disability benefits, social security benefits, workers'
13 compensation benefits that arose at any time, or based on occurrences outside the Class Period.
14 Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to,
15 the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that
16 Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or
17 additional facts or Plaintiffs' discovery of them.

18 5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
19 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights,
20 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

25 5.2 Released Class Claims by Participating Class Members: The claims released by all
26 Settlement Class Members, other than those who submit requests for exclusion (the "Participating
27 Class Members") are all claims, rights, demands, liabilities, and causes of action alleged, or which
28 could have reasonably been alleged based on the facts alleged in the operative Class Action

Complaint (CIVSB2319781) and/or Operative Complaint and ascertained in the course of the Actions during the Class Period, including, but not limited to, any and all claims for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; (9) and violation of California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* (collectively the "Released Class Claims"). The Released Class Claims are those that accrued during the Settlement Class Period.

5.3 Released PAGA Claims: The claims released by Aggrieved Employees and the State of California, including Non-Participating Class Members who are Aggrieved Employees, against Released Parties, are all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the operative PAGA Complaint or LWDA Notice Letter (CIVSB2329285 & LWDA-CM-988159-23) and/or Operative Complaint and ascertained in the course of the Actions during the PAGA Period, including, but not limited to, any and all claims stemming from: failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to authorize and permit rest periods, failure to pay all earned wages twice per month, failure to maintain accurate records of hours worked and meal periods, failure to timely pay final wages, failure to furnish accurate wage statements, and failure to indemnify employees for expenditures, and failure to produce requested employment records (collectively the "Released PAGA Claims"). The Released PAGA Claims are those that accrued during the PAGA Period. Plaintiffs will release all claims for PAGA penalties asserted in the operative PAGA Complaint and the LWDA Notice Letter.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

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

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

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval no later than 45 days after full execution of this Agreement. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

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

Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. **SETTLEMENT ADMINISTRATION.**

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as **Exhibit B**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of

1 Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class
2 Notices, the Administrator shall update Class Member addresses using the National Change of
3 Address database.

4 7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class
5 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
6 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
7 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
8 Notice to the most current address obtained. The Administrator has no obligation to make further
9 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
10 USPS a second time.

11 7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks
12 and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond
13 the 45 (forty-five) days otherwise provided in the Class Notice for all Class Members whose
14 notice is re-mailed. The Administrator will inform the Class Member of the extended deadline
15 with the re-mailed Class Notice.

16 7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise
17 discovers any persons who believe they should have been included in the Class Data and should
18 have received Class Notice, the Parties will expeditiously meet and confer in person or by
19 telephone, and in good faith in an effort to agree on whether to include them as Class Members.
20 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
21 Members, and the Administrator will send, via email or overnight delivery, a Class Notice
22 requiring them to exercise options under this Agreement not later than 14 days after receipt of
23 Class Notice, or the deadline dates in the Class Notice, whichever are later.

24 7.5 Requests for Exclusion (Opt-Outs).

25 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement
26 must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not
27 later than 45 (forty-five) days after the Administrator mails the Class Notice (plus an additional
28 14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter

1 from a Class Member or his/her representative that reasonably communicates the Class Member's
2 election to be excluded from the Settlement and includes the Class Member's name, address and
3 email address or telephone number, and last four digits of the Class Member's Social Security
4 number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by
5 the Response Deadline.

6 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
7 to contain all the information specified in the Class Notice. The Administrator shall accept any
8 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
9 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
10 determination shall be final and not appealable or otherwise susceptible to challenge. If the
11 Administrator has reason to question the authenticity of a Request for Exclusion, the
12 Administrator may demand additional proof of the Class Member's identity. The Administrator's
13 determination of authenticity shall be final and not appealable or otherwise susceptible to
14 challenge.

15 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
16 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
17 bound by all terms and conditions of the Settlement, including the Participating Class Members'
18 Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating
19 Class Member actually receives the Class Notice or objects to the Settlement.

20 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
21 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
22 right to object to the class action components of the Settlement. Because future PAGA claims are
23 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
24 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
25 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment. In other
26 words, there shall be no right for Aggrieved Employees to request exclusion from the PAGA
27 settlement.
28

1 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 (forty-five)
2 days after the Administrator mails the Class Notice (plus an additional 14 (fourteen) days for
3 Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
4 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member
5 may challenge the allocation by communicating with the Administrator via fax, email or mail.
6 The Administrator must encourage the challenging Class Member to submit supporting
7 documentation. In the absence of any contrary documentation, the Administrator is entitled to
8 presume that the Workweeks contained in the Class Notice are correct so long as they are
9 consistent with the Class Data. The Administrator's determination of each Class Member's
10 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
11 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the
12 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
13 Administrator's determination of the challenges.

14 7.7 Objections to Settlement.

15 7.7.1 Only Participating Class Members may object to the class action components of the
16 Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or
17 amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses
18 Payment and/or Enhancement Award.

19 7.7.2 Participating Class Members may send written objections to the Administrator, by
20 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
21 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
22 Participating Class Member who elects to send a written objection to the Administrator must do
23 so not later than 45 (forty-five) days after the Administrator's mailing of the Class Notice (plus
24 an additional 14 days for Class Members whose Class Notice was re-mailed).

25 7.7.3 Non-Participating Class Members have no right to object to any of the class action
26 components of the Settlement.

27 7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
28 performed or observed by the Administrator contained in this Agreement or otherwise.

1 7.8.1 Email Address and Toll-Free Number. The Administrator will establish, maintain
2 and monitor an email address and a toll-free telephone number to receive Class Member calls,
3 faxes and emails.

4 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
5 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
6 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
7 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
8 and other identifying information of Class Members who have timely submitted valid Requests
9 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
10 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
11 Exclusion from Settlement submitted (whether valid or invalid) with personal identifying
12 information other than names redacted.

13 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
14 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
15 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
16 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
17 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
18 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
19 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
20 objections received, with personal identifying information other than names redacted.

21 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
22 address and make final decisions consistent with the terms of this Agreement on all Class Member
23 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
24 shall be final and not appealable or otherwise susceptible to challenge.

25 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which
26 Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator
27 will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in
28 Court attesting to its due diligence and compliance with all of its obligations under this

Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **ESCALATOR CLAUSE**. Based on its records, Defendant represents there are 95 Class Members who collectively worked a total of 909 Workweeks during the Class Period and 77 Aggrieved Employees who collectively worked a total of 2,749 Pay Periods. Should the Workweeks or Pay Periods increase more than 10% (i.e. more than 1,000 Workweeks or more than 3,024 Pay Periods), Defendant, at its option, can either choose to: (1) cut off the end date for the Class Period as of the date on which the number of Workweeks reaches 1,000 or cut off the end date for the PAGA Period as of the date on which the number of pay periods reaches 3,024, or (2) increase the GSA on a proportional basis equal to the percentage increase in the number of Workweeks/Pay Periods worked by the Class Members above the 10% (for example, if the final number of total Workweeks/Pay Periods increases by 11%, the GSA will increase 1%).

9. **DEFENDANT'S RIGHT TO WITHDRAW**. If the valid Requests for Exclusion identified in the Exclusion List represent more than an aggregate total of 5% of Settlement Class Members (i.e. more than 5 opt-outs), Defendant may, but is not obligated, to elect to withdraw from the Settlement. The foregoing percentage shall not be revealed in any document publicly filed or

made available except it may be presented to the Court for *in camera* inspection. The Parties agree that, if Defendant withdraws, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Costs incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 10 (ten) business days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Unless otherwise ordered by the Court, not later than 16 (sixteen) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

1 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
2 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
3 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
4 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

5 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
6 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
7 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
8 counsel, and all Participating Class Members who did not object to the Settlement as provided in
9 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-
10 judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new
11 trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
12 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
13 obligations to perform under this Agreement will be suspended until such time as the appeal is
14 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
15 of the Net Settlement Amount.

16 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
17 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
18 modification of this Agreement (including, but not limited to, the scope of release to be granted
19 by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
20 expeditiously work together in good faith to address the appellate court's concerns and to obtain
21 Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration
22 Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the
23 Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute
24 a material modification of the Judgment within the meaning of this paragraph, as long as the Gross
25 Settlement Amount remains unchanged.

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

1 **12. ADDITIONAL PROVISIONS.**

2 12.1 No Admission of Liability, Class Certification or Representative Manageability for
3 Other Purposes. This Agreement represents a compromise and settlement of highly disputed
4 claims. Nothing in this Agreement is intended or should be construed as an admission by
5 Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has
6 any liability for any claims asserted; nor should it be intended or construed as an admission by
7 Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class
8 certification and representative treatment is for purposes of this Settlement only. If, for any
9 reason, the Court does not grant Preliminary Approval, Final Approval, or enter Judgment,
10 Defendant reserves the right to contest certification of any class for any reason, Defendant
11 reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move
12 for class certification on any grounds available and to contest Defendant's defenses. The
13 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on,
14 and will not be admissible in connection with, any litigation (except for proceedings to enforce
15 or effectuate the Settlement and this Agreement).

16 12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and
17 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
18 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
19 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
20 or indirectly, specifically or generally, to any person, corporation, association, government
21 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
22 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
23 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
24 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
25 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
26 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense
27 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
28 communication, before the filing of the Motion for Preliminary Approval, with any third party

1 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
2 “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
3 communications with Class Members in accordance with Class Counsel’s ethical obligations
4 owed to Class Members.

5 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and
6 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
7 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability
8 to communicate with Class Members in accordance with Defense Counsel’s and Class Counsel’s
9 ethical obligations and Class Counsel’s fiduciary duties owed to Class Members.

10 12.4 No Publicity. Plaintiffs and Class Counsel will not contact the media about the settlement
11 or respond to any inquiries by the media regarding the Settlement, other than to state that the
12 matter was amicably settled. Plaintiffs and their respective counsel also will not post any
13 information about the settlement on social media or their firms’ websites. This paragraph will not
14 affect Class Counsel’s ability to include this settlement to show the Court class counsel’s
15 adequacy, experience, and/or qualifications as class counsel in other matters.

16 12.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
17 together with its attached exhibits shall constitute the entire agreement between the Parties
18 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
19 inducements made to or by any Party.

20 12.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
21 represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate
22 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
23 its terms, and to execute any other documents reasonably required to effectuate the terms of this
24 Agreement including any amendments to this Agreement.

25 12.7 Cooperation. The Parties and their counsel will cooperate with each other and use their
26 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
27 Settlement Agreement, submitting supplemental evidence and supplementing points and
28 authorities as requested by the Court. In the event the Parties are unable to agree upon the form

1 or content of any document necessary to implement the Settlement, or on any modification of the
2 Agreement that may become necessary to implement the Settlement, the Parties will seek the
3 assistance of a mediator and/or the Court for resolution. If the Court believes the amount of
4 Administration Costs; Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment;
5 Class Representative Service Payments; or PAGA Penalties payment should be modified, the
6 other terms of the settlement will remain in effect and any such reduction will not affect the
7 remaining terms, other than adjusting the Net Settlement Amount. A reduction to the Class
8 Counsel Fees Payment, Class Counsel Litigation Expenses Payment; Class Representative
9 Service Payments; or PAGA Penalties payment is not a ground for rescinding the settlement.

10 12.8 No Prior Assignments. The Parties separately represent and warrant that they have not
11 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
12 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
13 action, or right released and discharged by the Party in this Settlement.

14 12.9 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are
15 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
16 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
17 Part 10, as amended) or otherwise.

18 12.10 Modification of Agreement. This Agreement, and all parts of it, may be amended,
19 modified, changed, or waived only by an express written instrument signed by all Parties or their
20 representatives, and approved by the Court.

21 12.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure
22 to the benefit of, the successors of each of the Parties.

23 12.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
24 governed by and interpreted according to the internal laws of the state of California, without
25 regard to conflict of law principles.

26 12.13 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
27 of this Agreement. This Agreement will not be construed against any Party on the basis that the
28 Party was the drafter or participated in the drafting.

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

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

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

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

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

To Plaintiffs:

John G. Yslas
john.yslas@wilshirelawfirm.com
 Jeffrey C. Bils
jeffrey.bils@wilshirelawfirm.com
 Aram Boyadjian
aram.boyadjian@wilshirelawfirm.com

1 Lisa B. Iturriaga
2 lisa.iturriaga@wilshirelawfirm.com
3 Andrew Sandoval
4 andrew.sandoval@wilshirelawfirm.com
5 **WILSHIRE LAW FIRM**
6 660 S. Figueroa Street, Sky Lobby
7 Los Angeles, California 90017
8 Telephone: (213) 381-9988
9 Facsimile: (213) 381-9989

6 To Defendant:

7 Spencer C. Skeen
8 spencer.skeen@ogletree.com
9 Tim L. Johnson
10 tim.johnson@ogletree.com
11 Cameron J. Davila
12 cameron.davila@ogletree.com
13 **OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.**
14 4660 La Jolla Village Drive, Suite 900
15 San Diego, California 92122
16 Telephone: (858) 652-3100
17 Facsimile: (858) 652-3101

14 12.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts
15 by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement
16 shall be accepted as an original. All executed counterparts and each of them will be deemed to be
17 one and the same instrument if counsel for the Parties will exchange between themselves signed
18 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
19 contents of this Agreement.

20 12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
21 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
22 agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date
23 to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

24 12.21 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable
25 and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be
26 admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid.
27 Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise
28 might apply under federal or state law. The Parties further agree and intend that the San

Bernardino County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

12.22 Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

IT IS SO AGREED.

By the Parties:

DATED: 10/14/2025

DocuSigned by:

D9220840C8DD4D7...
Plaintiff Angel Chavarria

DATED: _____

Plaintiff Isaac Mercado

DATED: 15-Oct-2025

Signed by:

A51D9E2A137F4B5... _____

Defendant Soares Automotive, Inc. dba Victorville
Chevrolet

By: Jacob Soares
Position: President

///

///

///

///

///

Bernardino County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

12.22 Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

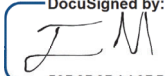
IT IS SO AGREED.

By the Parties:

DATED: _____

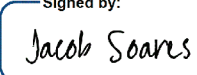
Plaintiff Angel Chavarria

DATED: 10/7/2025

DocuSigned by:

53D2D2DAA3DB4ED...

Plaintiff Isaac Mercado

DATED: 15-Oct-2025

Signed by:

A51D9E2A137F4B5...

Defendant Soares Automotive, Inc. dba Victorville
Chevrolet

By: Jacob Soares

Position: President

///

///

///

///

///

1 Approved by counsel:

2 DATED: October 7, 2025

WILSHIRE LAW FIRM

3
4 By: 
5 John G. Yslas
6 Jeffrey C. Bills
7 Counsel for Plaintiffs Angel Chavarria and Isaac Mercado

8 DATED: October 15, 2025

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

9
10 By: 
11 Spencer Skeen
12 Tim Johnson
13 Cameron Davila
14 Counsel for Soares Automotive, Inc. dba Victorville
15 Chevrolet
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

EXHIBIT B

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

Angel Chavarria, et al. v. Soares Automotive Inc. dba Victorville Chevrolet,
San Bernardino County Superior Court, Case Number CIVSB2319781 (lead), CIVSB2329285

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

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS CLASS NOTICE CAREFULLY.**

You may be eligible to receive money from employee class and representative action lawsuits entitled *Angel Chavarria, et al. v. Soares Automotive, Inc. dba Victorville Chevrolet*, San Bernardino County Superior Court, Case Nos. CIVSB2319781 & CIVSB2329285 (together “Actions”) against Defendant Soares Automotive, Inc. dba Victorville Chevrolet (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employee, Angel Chavarria and seeks (1) payment of unpaid wages and other relief for a class of non-exempt or hourly-paid employees (“Class Members”) who worked for Defendant during the Class Period, but excluding those who signed arbitration agreements; and (2) penalties under the California Private Attorney General Act (“PAGA”) for all current and former non-exempt employees who worked for Defendant during the PAGA Period (“Aggrieved Employees”). The “Class Period” is the period from August 22, 2019 to February 1, 2025. The “PAGA Period” is the period from October 17, 2022 to February 1, 2025.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payment payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund the PAGA Penalties to pay penalties to the California Labor and Workforce Development Agency (“LWDA”) and to Aggrieved Employees.

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be <<\$ [REDACTED]>> (less withholding), and your Individual PAGA Payment is estimated to be <<\$ [REDACTED]>>.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual Class Payment or Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual Class Payment or Individual PAGA Payment under the Settlement because you did not work during the PAGA Period or are not a valid Class Member.)

The above estimates are based on Defendant’s records showing that **you worked << [REDACTED]>> Workweeks** during the Class Period and **you worked << [REDACTED]>> Pay Periods** during the PAGA Period. If you believe that you worked more Workweeks and/or Pay Periods during either period, you can submit a challenge by the deadline date. See Section 5 of this Class Notice below.

The Court has already preliminarily approved the proposed Settlement and approved this Class Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Class Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and in exchange requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Released Class Claims against Defendant, and as an Aggrieved Employee, you will give up your right to assert Released PAGA Claims against Defendant, as described below in **Section 4** below.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Class Settlement, you will not receive an Individual Class Payment; however, you will preserve your right to personally pursue the Released Class Claims against Defendant. If you are an Aggrieved Employee, you remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
You Don't Have to Do Anything to Be Issued a Payment	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Class Claims and Released PAGA claims). Additional information is set forth below.
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Response Deadline is [REDACTED].	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. If you request exclusion, you will receive no money from the Class Settlement and you will not be bound by the Class Settlement. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 7 of this Class Notice. However, you cannot opt-out of the PAGA portion of the proposed Settlement. If you are an Aggrieved Employee and exclude yourself, you will still be paid your Individual PAGA Payment and will remain subject to the release of the Released PAGA Claims regardless of whether you submit a Request for Exclusion.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by the Response Deadline ([REDACTED])	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Actions on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 8 of this Class Notice.

You Can Participate in the Final Approval Hearing	The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED], 2026 at the San Bernardino County Superior Court, located at 14455 Civic Drive, Victorville, California 92392, in Department V11 before Judge Winston Keh. The hearing may be rescheduled by the Court without further notice to you. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Class Settlement at the Final Approval Hearing. See Section 9 of this Class Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by the Response Deadline ([REDACTED])	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many Workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Workweeks and number of Pay Periods you worked according to the Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by the Response Deadline. See Section 4 of this Notice.

1. Why did I get this Notice?

A proposed class and PAGA action settlement (the "Settlement") of the above-captioned actions pending in the Superior Court of the State of California, in and for the County of San Bernardino (the "Court") has been reached between Plaintiffs and Defendant (the "Parties") and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Class Notice because you have been identified as a member of the Class and/or Aggrieved Employee.

2. What are these class action lawsuits about?

On August 22, 2023, Plaintiff Angel Chavarria filed the putative wage and hour class action in San Bernardino Superior Court against Defendant alleging (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; and (9) violated California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq.* On November 13, 2023, Plaintiff Angel Chavarria filed the PAGA Action, alleging claims for penalties pursuant to Labor Code § 2699, *et seq.* based on the alleged violations of the California Labor Code listed above.

On XXX, Plaintiffs filed an amended complaint in Case No. CIVSB2319781 (the "Operative Complaint").

Defendant denies and disputes all such claims. Specifically, Defendant contends Plaintiffs and the Class Members were properly compensated for all wages under California law; Plaintiffs and the Class Members were provided with meal and rest periods in compliance with California law; Defendant did not fail to provide required reimbursement of expenses; Defendant did not fail to timely pay Plaintiffs or any Class Members any wages allegedly due at the time of their termination; Defendant complied with California wage statement requirements; Defendant did not engage in

unlawful or unfair business practices; Defendant is not liable for any of the penalties claimed or that could be claimed in the Actions; and the Actions cannot be maintained as a class action nor a PAGA action.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the law firm Wilshire Law Firm, PLC to serve as Class Counsel.

The Court has not ruled on the merits of Plaintiffs' claims. However, to avoid additional expense, inconvenience, and interference with the business operations of Defendant, the Parties concluded that it is in their best interests and the interests of the Class to settle the Actions now on the terms summarized in this Class Notice. The Settlement was reached after mediation through arms-length negotiations between the Parties. The Plaintiffs and Class Counsel think the settlement is in the best interest of all Class Members.

Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, who expressly denies all liability.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an "all in" amount of One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00) (the "Gross Settlement Amount") to fund the settlement of the Actions. The Gross Settlement Amount includes all payments of Individual Class Payments to Class Members, the Administration Expenses Payment, the Class Representatives' Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the PAGA Penalties for civil penalties. Any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages shall be separately paid by Defendant.

Within thirty (30) days of the Effective Date, Defendant will fund the Gross Settlement Amount by depositing the money with the Administrator. The "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Fourteen (14) days after the settlement is fully funded, the Administrator will mail checks for the Individual Class Payments to Participating Class Members and Individual PAGA Payments to Aggrieved Employees.

Court Approved Deductions from Gross Settlement Amount. The proposed payments, subject to Court approval, will be deducted from the Gross Settlement Amount before payments of Individual Class Payments are made to Participating Class Members and Individual PAGA Payments are made to Aggrieved Employees. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

- Administration Expenses Payment. Payment to the Administrator, estimated not to exceed \$XXX, for expenses, including without limitation, expenses of notifying the Class Members and Aggrieved Employees of the Settlement, processing opt outs, distributing settlement funds and tax forms, and handling inquiries and uncashed checks.
- Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Payment to Class Counsel of reasonable attorneys' fees not to exceed one-third (1/3) of the Gross Settlement Amount, which is presently \$53,333.33, and an additional amount to reimburse actual litigation costs incurred by Class Counsel not to exceed \$25,000.00. Class Counsel has been prosecuting the Actions on behalf of Plaintiffs and the Class and Aggrieved Employees on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.

- Class Representatives' Service Payments. Class Representatives' Service Payments in the aggregate amount not to exceed Ten Thousand Dollars (\$10,000.00). \$5,000.00 to each Plaintiff or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Actions, and for the risks he undertook.
- PAGA Penalties. A PAGA Penalties payment of \$10,000 to resolve the claim for civil penalties under PAGA, 75% of which, or \$7,500.00, will be paid to the LWDA. The remaining 25%, or \$2,500.00, will be distributed to the Aggrieved Employees based on their respective Pay Periods worked during the PAGA Period. All Aggrieved Employees will be sent their Individual PAGA Payment and be subject to the release of the Released PAGA Claims as set forth below, whether or not they opt out of the class portion of the Settlement.

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

Calculation of Individual Class Payments to Participating Class Members. After all of the payments of the court-approved Class Representatives' Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the PAGA Penalties, and the Administration Expenses Payment are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount", shall be distributed as Individual Class Payments to Participating Class Members (meaning those Class Members who do not opt out or exclude themselves from the Class). The Net Settlement Amount is estimated to be at least \$ [REDACTED]. The Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member. The Individual Class Payment for each Participating Class Member will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period. The number of Workweeks will be based on Defendant's records, however, Class Members may challenge the number of Workweeks as explained below. Your estimated Individual Class Payment is set forth in Section 5 below.

Calculation of Individual PAGA Payments to Aggrieved Employees: The Individual PAGA Payment for each Aggrieved Employee will be calculated by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$2,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period. The number of PAGA Pay Periods will be based on Defendant's records, however, Aggrieved Employees have the right to challenge the number of PAGA Pay Periods worked as explained below. Your estimated Individual PAGA Payment is set forth in Section 5 below. You will receive your Individual PAGA Payment (if any) even if you opt out or exclude yourself from the Class.

Tax Matters. Twenty (20%) of each Participating Class Member's Individual Class Payment is in settlement of wage claims which are subject to wage withholdings and will be reported on IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment is in settlement of claims as non-wages, interest, and penalties, which are not subject to wage withholdings and will be reported on IRS 1099 Form. Your Individual PAGA Payment (if any) is also not subject to wage withholdings and will be reported on IRS 1099 Form. The employee portion of all applicable income and payroll taxes will be the responsibility of the Participating Class Members and Aggrieved Employees. Neither Class Counsel nor Defendant's Counsel intend anything contained in this Notice to constitute advice regarding taxes or taxability. Your tax issues are unique to you, and you may want to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Individual Class Payment to the same address as this Class Notice. You do not have to do

anything to receive a payment. If your address has changed, you must contact the Administrator to inform them of your correct address to ensure you receive your payment.

4. What Do I Release Under the Settlement?

Released Class Claims. Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members release the Released Parties from the Released Class Claims. The “Released Class Claims” are all claims, rights, demands, liabilities, and causes of action alleged, or which could have reasonably been alleged based on the facts alleged in the operative Class Action Complaint (CIVSB2319781) and/or Operative Complaint and ascertained in the course of the Actions during the Class Period, including, but not limited to, any and all claims for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; (9) and violation of California’s Unfair Competition Law, California Business and Professions Code section 17200, et seq. The Released Class Claims are those that accrued during the Settlement Class Period.

This means that, if you do not timely and formally exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or any other Released Party about the Released Class Claims resolved by this Settlement. It also means that all of the Court’s orders in the Actions will apply to you and legally bind you.

Released PAGA Claims. Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Aggrieved Employees and the State of California, including Non-Participating Class Members who are Aggrieved Employees, release the Released Parties from the Released PAGA Claims. The “Released PAGA Claims” are all claims for PAGA civil penalties that are alleged, or reasonably could have been alleged, based on the facts alleged in the operative PAGA Complaint or LWDA Notice Letter (CIVSB2329285 & LWDA-CM-988159-23) and/or Operative Complaint and ascertained in the course of the Actions during the PAGA Period, including, but not limited to, any and all claims stemming from: failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to authorize and permit rest periods, failure to pay all earned wages twice per month, failure to maintain accurate records of hours worked and meal periods, failure to timely pay final wages, failure to furnish accurate wage statements, and failure to indemnify employees for expenditures, and failure to produce requested employment records. The Released PAGA Claims are those that accrued during the PAGA Period. Plaintiffs will release all claims for PAGA penalties asserted in the operative PAGA Complaint and the LWDA Notice Letter.

Released Parties. The “Released Parties” are Defendant and each of its former and present insurers, brands, concepts, affiliates, subsidiaries, parent companies, predecessors, successors, assigns, employees, officers, directors, agents, attorneys, administrators, representatives, heirs, estates, powers-of-attorney, and any individual or entity that could be jointly liable with Defendant.

5. How much will my payment be?

Your Individual Class Payment: Defendant’s records reflect that you have << [REDACTED] >> Workweeks during the Class Period (August 22, 2019 through February 1, 2025). **Based on this information, your estimated Individual Class Payment is** << [REDACTED] >>, minus applicable withholdings and deductions.

Your Individual PAGA Payment: Defendant’s records reflect that you have << [REDACTED] >> Pay Periods during the PAGA Period (October 17, 2022 through February 1, 2025). **Based on this information, your estimated Individual PAGA Payment is** << [REDACTED] >>.

Your Individual Class Payment and Individual PAGA Payment may be paid together in a single check, at the discretion of the Administrator.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Administrator at the address and/or email address provided in this Class Notice no later than the Response Deadline, which is [REDACTED]. Any dispute should include credible written evidence and will be resolved by the Administrator.

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your share of the Settlement will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Administrator. The Administrator is: [REDACTED], 1(800) [REDACTED].

Your settlement check must be cashed within 180 days after it is mailed. If your check is lost or misplaced, you should contact the Administrator immediately by phone to request a replacement 1(800) [REDACTED]. For any Participating Class Member and/or Aggrieved Employee whose Individual Class Payment check and/or Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member.

7. What if I don't want to be a part of the Class Settlement?

If you do not wish to participate in the Class Settlement, you may exclude yourself from the Class or "opt out." **If you opt out, you will NOT receive your Individual Class Payment and you will not be bound by the release of Released Class Claims.** However, Aggrieved Employees who opt out of the Class will still be paid their Individual PAGA Payment and will remain subject to the release of the Released PAGA Claims, regardless of their request for exclusion from the Class.

To opt out of the Class Settlement, you must mail or email to the Administrator, a written, signed Request for Exclusion postmarked, faxed or emailed no later than the Response Deadline which is [REDACTED]. A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Class Settlement and includes the Class Member's full name, mailing address, e-mail address or telephone number, and last four digits of the Class Member's Social Security number. You must make the request yourself. If someone else makes the request for you other than your representative, it will not be valid.

Absent good cause found by the Court, written Requests for Exclusion that are postmarked or emailed after [REDACTED], or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I don't agree with the Class Settlement?

Any Class Member who has not opted out and believes that the Class Settlement should not be finally approved by the Court may object to the proposed Settlement, the attorneys' fees, the costs and/or the service awards, either in writing or in person. Objections that are in writing should include the Class Member's full name, mailing address, telephone number, last four digits of the Class Member's Social Security number, and describe why you object to the Class Settlement. All written objections or other correspondence should also state the name and number of the case, which is *Angel Chavarria v. Victorville Chevrolet*, in the Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2319781.

All written objections must be mailed or emailed to the Administrator no later than the Response Deadline, which is [REDACTED].

Alternatively, Participating Class Members may appear at the Final Approval Hearing on [REDACTED] at [REDACTED] to make an oral objection without submitting a written objection. At this time, all hearings will be held

remotely. The hearing may also be rescheduled by the Court without further notice to you. If you need assistance, you may contact Class Counsel.

To object to the Class Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object and you will still be mailed a check for your Individual Class Payment. Absent good cause found by the Court, any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

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

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED], in Department V11 of the Superior Court of California, County of San Bernardino, located at 14455 Civic Drive, Victorville, California 92392, before Judge Winston Keh. While the Court determined at preliminary approval that there is sufficient evidence to suggest the proposed Settlement is fair, adequate, and reasonable, the Court will make a final determination on these issues at the Final Approval Hearing. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement and to approve the amount of attorneys' fees, costs and service awards to be awarded. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

Administrator:

Name:

Soares Automotive Inc. Settlement

Mailing Address:

Email Address:

Telephone:

Facsimile:

The contact information for Parties' counsel are as follows:

Class Counsel:

John G. Yslas, john.yslas@wilshirelawfirm.com

Jeffrey C. Bils, jeffrey.bils@wilshirelawfirm.com

Aram Boyadjian, aram.boyadjian@wilshirelawfirm.com

Andrew Sandoval, andrew.sandoval@wilshirelawfirm.com

Lisa B. Iturriaga, lisa.iturriaga@wilshirelawfirm.com

WILSHIRE LAW FIRM

660 S. Figueroa Street, Sky Lobby

Los Angeles, California 90017

Telephone: (213) 381-9988

Facsimile: (213) 381-9989

Counsel for Defendant:

Spencer C. Skeen

Tim L. Johnson

Cameron J. Davila

Ogletree, Deakins, Nash, Smoak & Stewart,
P.C.

4660 La Jolla Village Drive, Suite 900

San Diego, CA 92122

Tel: 858-652-3100 / Fax: 858-652-3101

Email: cameron.davila@ogletree.com

Website: www.ogletree.com

This Class Notice summarizes the proposed settlement. More details are in the Class Action and PAGA Settlement Agreement ("Agreement"). You may get more details by examining the Court's file via the Public Access site for the California Superior Court for the County of San Bernardino <https://cap.sb-court.org/> and entering the Case Number for the Chavarria Action, Case No. CIVSB2319781. You can also personally review the court documents in the Clerk's

office at 14455 Civic Drive, Victorville, California 92392, in Department V11 during the hours of 8:30 a.m. – 3:00 p.m. Monday through Friday, excluding judicial holidays.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed.
- If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.

EXHIBIT 2

Theresa Chan

From: no-reply@formassembly.com
Sent: Wednesday, October 15, 2025 2:51 PM
To: Theresa Chan
Subject: Thank you for your Proposed Settlement Submission

10/15/2025 02:51:12 PM

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

Item submitted: Proposed Settlement

On 10/15/2025 02:51:12 PM your Proposed Settlement was successfully processed for case number LWDA-CM-988159-23

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:

https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7C9c3381946152497ce8e608de0c34ff1b%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638961618933129141%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMlslkFOlJoiTWFpbCIldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=va%2Fu7cwDOSEpc8chWVo1V35jRr%2B7Guf6umL1QLj8PTk%3D&reserved=0

EXHIBIT 3

WILSHIRE LAW FIRM, PLC

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



Bobby Saadian, Esq. JD/MBA

Colin M. Jones, Esq.	Wesley Shelton, Esq.
Justin F. Marquez, Esq.	Christina Le, Esq.
John Yslas, Esq.	Michael Tracy, Esq.
Jon Teller, Esq.	Jennifer Leinbach, Esq.
Tae Kim, Esq.	Jeffrey Bils, Esq.
Daniel DeSantis, Esq.	Nathan Kingery, Esq.
Jennifer P. Burkes, Esq.	Elizabeth Votra, Esq.
Mary Caruso, Esq.	Benjamin Haber, Esq.
Johnny Ogata, Esq.	Ghazaleh Attaran, Esq.
Nicol Hajjar, Esq.	Adam Sherman, Esq.
Stephanie Mazepa, Esq.	Jesenia Martinez, Esq.
Brad Stuckey, Esq.	Arrash Fattahi, Esq.
Thiago Coelho, Esq.	Jesse Chen, Esq.
Cameron Stewart, Esq.	Arsine Grigoryan, Esq.
Shahin Rezvan, Esq.	

October 17, 2023

LWDA

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

Soares Automotive, Inc. dba Victorville Chevrolet
Attn.: Keri Killhan
Attn.: Jacob Soares
15425 Dos Palmas Road
Victorville, CA 92392
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6362 4802 65

Re: ***Angel Chavarria v. Soares Automotive, Inc. dba Victorville Chevrolet***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Angel Chavarria ("Mr. Chavarria" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employers, Soares Automotive, Inc. dba Victorville Chevrolet ("Soares" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and potentially all of Employers' Aggrieved Employees.

Mr. Chavarria wishes to pursue this action on behalf of Employee as Aggrieved Employees, on behalf of the State of California, as well as on behalf of potentially all other persons who worked for Soares in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees suffered the Labor Code violations described below.

Mr. Chavarria's Employment with Soares

Soares is a car dealership. Employee worked as a lube technician. Employee's primary job function was to perform customer vehicle maintenance. In performing his duties, Employee was regularly

required to perform work “off-the-clock” without compensation. Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums they were entitled to under the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

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

Mr. Chavarria is a resident of Victorville, California who worked for Employers in San Bernardino County, California as an hourly-paid, non-exempt employee from approximately November 2021 to approximately December 2022.

During Employee’s employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee’s employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee’s employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee’s requested employment records. As discussed below, Employee’s experience working for Employers was typical and illustrative.

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

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

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

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

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Employers required Employee and the Aggrieved Employees to work “off-the-clock,” uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved

Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees worked.

Throughout the statutory period, Employers also engaged in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to "precisely capture time worked" means that "the employer must pay the employee for that worktime when due." (*Id.* at 671.) As a result of Employers' rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Despite these legal requirements, Employers wrongfully failed to provide Employee and the Aggrieved Employees with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing to provide Plaintiff, the Class, and the Aggrieved Employees the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers failed to provide meal periods to Employee and the Aggrieved Employees in compliance with California law.

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

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

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Employers have wrongfully failed to authorize and permit Employee and the Aggrieved Employees to take legally compliant rest periods in a manner required by law (and also including but not limited to failing to authorize and permit Plaintiff, the Class, and the Aggrieved Employees the opportunity to leave the work premises to take rest periods). Employers regularly required Employee and the Aggrieved Employees to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Employers continued to assert control over Employee and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Employee and the Aggrieved Employees permission to take a rest period. Accordingly, Employers failed to authorize and permit Employee and the Aggrieved Employees to take rest periods in compliance with California law. Employee and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, regularly failed to pay Employee and the Aggrieved Employees the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

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

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure to pay Employee and the Aggrieved Employees for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees suffered damages in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

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

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

Failure to Timely Pay All Wages at Termination

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

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

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

Accordingly, Employee and the Aggrieved Employees are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

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

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

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

Because Employers violated Labor Code § 226, Employee and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees are entitled to recover from Employers the greater of their actual damages caused by Employers’ failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers wrongfully required Employee and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees

regularly paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers failed, and continue to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers failed and continue to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees by virtue of Employers' time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

Employers failed and continue to fail to keep accurate and complete records showing total hours worked by virtue of Employers' failure to relieve Employee and Aggrieved Employees of all duties and Employers' control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed, and continue to fail, to record the true start and end times of Employee's and Aggrieved Employees' meal periods.

Based on further information and belief, Employers further failed and continue to fail, to record the true start and end times of Employee's and Aggrieved Employees' work shifts.

Additionally, Employers failed, and continue to fail to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees. Employers' failure to keep "accurate and complete" payroll records for Employee and Aggrieved Employees violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employees, results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed, and continue to fail, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and Aggrieved Employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any "doing business as" names used, the name, address and telephone number of the workers' compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, employees may collect from Employers in connection with these violations' civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers failed to provide proper paid sick leave to Employee and other Aggrieved Employees. Employers either failed to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees by failing to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers' premises) and by failing to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Based on information and belief, Employers further failed to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees on their wage statements or other written statement.

Based on information and belief, Employers failed to put NON-EXEMPT AGGRIEVED on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the NON-EXEMPT AGGRIEVED EMPLOYEE throughout the relevant time period.

Based on information and belief, throughout the relevant period, Employers failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee and other Aggrieved Employees would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and all Aggrieved Employees.

In violation of Labor Code section 247.5, Employers failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and all Aggrieved Employees, permitting the presumption that Employee and all Aggrieved Employees were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers further failed and continue to fail to comply with Labor Code section 246, by failing to provide Employee and all Aggrieved Employees with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

Employers unlawfully retained and continue to retain paid sick leave that should have been paid but was not, as a result of Employers' failure to properly institute a paid sick leave program.

On information and belief, Employee alleges that all of these practices were experienced and continue to be experienced by other Aggrieved Employees.

Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers violated Labor Code section 248.2 by not providing Aggrieved Employees with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers violated and continue to violate Labor Code section 216 by failing to pay Employee and all Aggrieved Employees for all hours worked at the proper wage rate and by failing to pay Employee and all Aggrieved Employees an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute's provisions were violated.²

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

² Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

Based on information and belief, Employers failed to provide Aggrieved Employees with suitable seating, and when such employees were not engaged in duties which required them to stand, no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, there were periods of time when Aggrieved Employees were not engaged in active duties of their employment, yet there were no suitable seats in reasonable proximity to the work area and use of seats would not interfere with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work reasonably permitted the use of seats. However, Employers failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas in violation of section 14(A-B) of all applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.³

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, Employers willfully and systematically denied Employee and other Aggrieved Employees of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers acted with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers paid Employee and other Aggrieved Employees lower wages than those they were entitled to while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and all Aggrieved Employees are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers had and continue to have a uniform policy and practice of failing to allow Aggrieved Employees and Exempt Aggrieved Employees to use their earned vacation/paid time off during their employment and failing to pay all vested, accrued paid time off to Aggrieved Employees and/or Exempt Aggrieved Employees upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers had and have a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that “no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law.” Based on information and belief, Employers required Employee, Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to unlawful conditions of employment including but not limited to, unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers’ ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially-related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, in violation of Labor Code section 1024.5, and required Aggrieved Employees and Exempt Aggrieved Employees to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also required Aggrieved Employees and Exempt Aggrieved Employees to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers required Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to a background check which failed to abide by the requirements set forth in CA Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing to provide disclosures free of extraneous information, failing to provide a lawful purpose for the background check, failing to provide a summary of rights under the ICRAA and/or the FCRA, failing to provide a way by which the individual could

request a copy of the report, failing to disclose the name, address, and telephone number of the third party preparing the report, and failing to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By requiring Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also required Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by requiring applicants and employees to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees to agree to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees agree in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers asked Aggrieved Employees, and Exempt Aggrieved Employees about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), asked Aggrieved Employees and Exempt Aggrieved Employees about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to other unlawful agreements, including but not limited to, an unlawful waiver of PAGA and or representative actions as a condition of employment.

An action pursuant to PAGA “...is a representative action on behalf of the state” *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee’s right to a trial of PAGA claims is contrary to California law and unenforceable. *See Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 (“We conclude that where, as here, an employment agreement compels the waiver of

representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.”)

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee’s individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 (“There is no individual component to a PAGA action because ‘every PAGA action ... is a representative action on behalf of the state.’”)

Upon information and belief, Employers required Employee, Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees to agree, in writing, to an unlawful PAGA waiver, Employers required written agreement to an unlawful provision as a condition of employment which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees continue to be subject to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers had and have a policy or practice of preventing Employee and/or other Aggrieved Employees from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers had and have a policy or practice of preventing Employee and/or other Aggrieved Employees from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other Aggrieved Employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers had and have a policy or practice of failing to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges that Employers had and have a policy or

practice of requiring or permitting employees to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges that Employers had and have a policy or practice of failing or neglecting to: provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges that these failures include, without limitation, failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees; failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees; and failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal to pay wages due and payable and/or denial of the validity of any claim to wages due;
13. Labor Code § 223 for secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure to pay vested vacation and/or paid time off;

15. Section 14(A-B) of all applicable IWC Wage Orders for failure to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure to timely provide temporary workers with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for preventing employees from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries into criminal histories; and
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

Therefore, on behalf of potentially all Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

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

Sincerely,

WILSHIRE LAW FIRM



John G. Yslas, Esq.