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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF RIVERSIDE**

SERGIO HUIZAR, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

J. VELARDE, INC. d.b.a. CRYSTAL CHRYSLER DODGE JEEP RAM, a California Corporation; ROBERT N. LA TORRE, INC. d.b.a. TORRE NISSAN, a California Corporation; GEOVEL INC. d.b.a. I-10 CHRYSLER DODGE JEEP RAM, a California Corporation; and DOES 1 through 100,

Defendants.

Case No.: CVRI2306697

[*Assigned for all purposes to the Hon. Harold W. Hopp; Dept. 1*]

**DECLARATION OF SEAN M. BLAKELY IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

Date: October 16, 2025
Time: 8:30 a.m.
Dept.: 1

Reservation ID: 950123964443

Complaint filed: December 13, 2023
Trial Date: None Set

I, SEAN M. BLAKELY, declare as follows:

1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiff Sergio Huizar ("Plaintiff") and the proposed Settlement Class in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein & Marias I assisted trial attorneys in employment and personal injury cases. From September 2011 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused on representing employees in wage and hour class actions. My work at Mahoney Law Group, APC also included representing employees in individual claims for wrongful termination, harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I performed at Mahoney Law Group, APC included: conducting client intakes performing pre-filing research and analysis, drafting complaints, attending court hearings, corresponding with opposing counsel, drafting and responding to written discovery, preparing for and taking and defending depositions, analyzing payroll and timekeeping records and employee handbooks, opposing motions for summary judgment, as well as a variety of other motions such as motions for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to quash, and motions for class certification, drafting mediation briefs, attending mediations, drafting long-form settlement agreements, drafting motions for preliminary and final settlement approval, and overseeing the notice process.

3. Since November 8, 2016, I have worked at my current firm, Haines Law Group, APC, where, in 2020, I became a Partner. I am currently responsible for managing over fifty (50) active wage and hour class and representative actions in both state and federal court.

4. The following is a non-exhaustive list of wage and hour class actions in which I

have been appointed as class counsel and/or played a significant role in prosecuting the litigation, and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al,* Case No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding (granted final approval of settlement on behalf of employees at rehabilitation facility involving claims for unpaid wages and meal and rest period violations, and other claims, in which I was approved at an hourly rate of $325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance Medical Center, Inc.*, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement on behalf of healthcare workers for unpaid wages, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $325 for work performed in 2012-2013); *Arteaga v. Command Center Security, Inc.,* Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving claims for unpaid overtime, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2012-2015); *Casadine v. Maxim Healthcare Services, Inc.*, Case No. CV 12-10078-DMG (CWx), United States District Court, Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement on behalf of home health care employees involving claims for unpaid wages and other claims, in which I was approved at an hourly rate of $425 for work performed in 2012-2015); *Guzman v. Andrew Lauren Interiors, Inc.*, *et al*., Case No. BC567757, California Superior Court, Los Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf of construction workers involving claims for unpaid wages, meal and rest period violation, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2014-2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and related violations, approved at hourly rate of $475 for work performed in 2016 and 2017); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees of a chemical manufacturing company involving claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al*., Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et al*., Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F. Highberger presiding (granting final approval of settlement involving claims for wage statement violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al*., Case No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement on behalf of direct support professionals involving claims for unpaid wages, meal and rest period violations, wage statement violations, and other claims); *Aguilar v. Act Fulfillment, Inc*., Case No. RIC1616643, California Superior Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval v. AMCOR Flexibles Inc*., Case No. BC617499, California Superior Court, Los Angeles County, Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of manufacturing employees involving claims for unpaid wages, meal period violations, rest period violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C*., Case No. RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on behalf of non-exempt employees of a freight railcar manufacturer involving claims for unpaid overtime and minimum wages, meal period violations, and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement involving claims for unpaid overtime and minimum wages, rest period violations, wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons and other employees involving claims for unpaid wages, meal and rest period violations, unreimbursed business expenses, and other claims); and *Matthew Tovar, et al. v. Rentokil North America, Inc*., Case No. BC676386, California Superior Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc*., Case No. CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman presiding (granting final approval of settlement on behalf of sales development representatives involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy Aguilar, et al. v. Aero Port Services, Inc*., Case No. BC659234, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for meal and rest period violations, and other claims); *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al*., Case No. RIC1709905, California Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court, Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period violations, unreimbursed business expenses, and penalty claims).

5. I have also moved to certify and have received an order certifying a class action in *Ontiveros v. Safelite Fulfillment, Inc., et al*., Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company,* Case No. 16-CV-02749-WQH (BLM), United States District Court, Southern District of California, Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes, wage statement class, and waiting time penalty class).

6. In each year from 2018-2023, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

**CMO ¶¶ G(1)(a), G(1)(b)**

7. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in all aspects of this litigation, and I believe that the proposed Settlement is a favorable result for the Settlement Class. Attached hereto as **Exhibit A** is a true and correct copy of the fully-executed Stipulation of Settlement ("Settlement Agreement"). The proposed Class Notice, Request for Exclusion Form, and Objection Form (together, the "Notice Packet") are attached as **Exhibits 1**, **2** and **3**, respectively, to the Settlement, and are also attached to the Proposed Order.

**CMO ¶¶ G(3)(a)(vii)**

8. I am not aware of any other class, representative, or other collective actions in any other court that assert similar claims to those asserted in this action on behalf of a class or group of individuals who would also be members of the proposed Settlement Class. I asked the attorneys at my office if they are aware of any similar actions, and the attorneys whom I have asked are not aware of any such actions.

9. Defendants J. Velarde, Inc. dba Crystal Chrysler Dodge Jeep Ram, Robert N. La Torre, Inc. dba Torre Nissan, and Geovel Inc. dba I-10 Chrysler Dodger Jeep Ram (collectively referred to as "Defendants") are a group of car dealerships in California.

10. On December 13, 2023, Plaintiff filed a Class Action Complaint in Riverside County Superior Court, alleging (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) failure to indemnify for all necessary business expenditures; and (7) unfair competition. On that same day, Plaintiff sent his PAGA notice letter to the LWDA. Attached hereto as **Exhibit B** is a true and correct copy of the LWDA letter. On February 20, 2024, Plaintiff filed the operative First Amended Class and Representative Action Complaint ("FAC") adding a cause of action for civil penalties under the PAGA.

**CMO ¶ G(3)(a)(vi)**

11. In connection with mediation, Defendants provided my office with approximately 20% sampling of timekeeping and payroll records for putative class members employed during the Class Period. Defendants also produced relevant policy documents, including their written meal and rest period policies, timekeeping policies, and overtime policies; and the number of current and former employees employed during the Class Period, as well as the aggregate number of workweeks worked by all putative class members. My office conducted a comprehensive analysis and extrapolation of the data produced to calculate class-wide damages for all claims at issue. This discovery allowed the Parties to assess the merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and Defendants' potential defenses.

12. On November 12, 2024, the Parties attended a full-day mediation with Kevin T. Barnes, Esq., an experienced wage and hour class action mediator. During mediation, the Parties vigorously debated their legal positions, the likelihood of certification of Plaintiff's claims, and the legal bases for the claims and defenses. At the conclusion of mediation, Mr. Barnes issued a mediator's proposal, which was ultimately accepted by all Parties. During the months that followed, the Parties negotiated and finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the Court.

13. The monetary terms of the Settlement are summarized below:

| | |
|---|---|
| • Gross Settlement Amount: | $165,000.00 |
| • Minus Court-approved attorneys' fees (1/3): | $55,000.00 |
| • Minus Court-approved verified costs (up to): | $30,000.00 |
| • Minus Court-approved Enhancement Payment: | $5,000.00 |
| • Minus amount set aside as PAGA penalties: | $10,000.00 |
| • Minus estimated settlement administration costs: | $6,950.00 |
| Net Settlement Amount ("NSA"): | $58,050.00 |
| • PLUS 25% "PAGA Amount" to Settlement Class: | $2,500.00 |
| **Total Amount Paid to Class Members:** | **$60,550.00** |

**CMO ¶¶ G(3)(a)(i), G(3)(a)(iv), G(3)(a)(v)**

14. According to Defendants' records, there are approximately 230 total Class Members. Therefore, the average Settlement Payment is projected to be approximately $252.39. Based on the proposed allocations of the Net Settlement Amount, the lowest potential Settlement

Payment is projected to be approximately $4.83, and the highest potential Settlement Payment is estimated to be approximately $1,024.64. There are also approximately 153 Class Members who worked during the PAGA Period. Therefore, the average payment from the PAGA Amount is estimated at approximately $16.34.

**CMO ¶¶ G(3)(a)(ii), G(3)(a)(iii)**

15. As an initial matter, Defendants assert that Plaintiff and nearly all Class Members signed valid and enforceable arbitration agreements with class action waivers. Setting aside any arguments as to the merits of Plaintiff's claims, Defendants contend that absent settlement, a class-wide recovery for all Class Members was not possible and that only PAGA civil penalties could potentially be recovered on behalf of a subset of Class Members. As such, Defendants contend that absent their agreement to not raise the arbitration agreements as an affirmative defense, any recovery to Class Members would be limited to only the employee's potential 25% share of PAGA civil penalties.

16. Plaintiff alleges that he and other Class Members were provided with meal periods that were often late (i.e., commencing after the completion of five hours of work), short (i.e., less than 30 minutes), and/or missed due to work demands imposed by Defendants. Plaintiff estimates that approximately 6,006 shifts over 6.0 hours contained non-compliant first meal periods. Accordingly, Plaintiff calculated Defendants' maximum exposure at approximately $124,204 (6,006 non-compliant first meal periods * $20.68 average meal period premium). Defendants counter that they have maintained compliant written meal period policies throughout the Class Period and have always provided employees the opportunity to take legally compliant meal periods, and that they are not required to "ensure" meal periods are taken. Defendants also maintain that any short, missed, or late first meal periods were the result of lawful employee waiver or choice, thereby precluding liability. Defendants also note that they paid numerous meal period premium payments for non-compliant meal periods. Lastly, Defendants argue that individualized inquiries will be required to determine why each meal period was taken late, short, or missed by each employee, thereby making class certification of this claim unlikely. Based on these defenses, Plaintiff discounted the maximum amount by 55% for risk of non-certification

and potential inability to proceed on a classwide basis due to the arbitration agreements, and an additional 65% for risk of losing on the merits or failing to recover the full amount sought, to arrive at an estimated exposure of approximately $19,562.

17. Plaintiff further alleges that he and other Class Members did not receive second meal periods when they worked shifts in excess of 10.0 hours. Plaintiff estimates that during the Class Period, there were approximately 2,631 shifts worked in excess of 10.0 hours, where a second meal period violation occurred without a first meal period violation. Therefore, Plaintiff calculates Defendants' maximum exposure for second meal period violations at approximately $54,409 (2,631 second meal period violations * $20.68 average meal period premium). However, Plaintiff's theory of liability carried significant risks of both non-certification and on the merits if Plaintiff was able to certify this claim, based on, *inter alia*, Defendants' argument that it has maintained compliant written meal period policies throughout the Class Period, and Class Members voluntarily waived their second meal period on shifts in excess of 10.0 hours but less than 12.0 hours per Labor Code § 512. In light of these risks, Plaintiff discounted the maximum amount that the class could potentially recover by 60% for a risk of non-certification, and potential inability to proceed on a classwide basis due to the arbitration agreements, and an additional 70% for a risk of losing on the merits, or having exposure reduced due to Defendants' waiver arguments, to arrive at estimated exposure of approximately $6,529.

18. Plaintiff alleges that Defendants failed to authorize and permit its non-exempt employees to take all required rest periods. Specifically, Plaintiff was often prevented from taking rest periods due to work demands imposed by Defendants. Based on Plaintiff's review of Defendants' records, there were approximately 60,055 shifts worked over 3.5 hours during the Class Period. Therefore, Plaintiff calculates Defendants' maximum liability for rest period violations at approximately $1,241,937 (60,055 non-compliant first meal periods * $20.68 average rest period premium). In response, Defendants argue that they have always maintained and enforced lawful rest period policies/practices during the Class Period, and have, in fact, authorized and permitted all required rest periods to Class Members. Furthermore, Defendants argue that Plaintiff's rest period claim is not amenable to class treatment, as individualized

inquiries would be required to determine which employees failed to take rest periods, and the reasons why each employee failed to take a rest period on a particular shift, as there are no records of whether or not a rest period was authorized and permitted. Therefore, Plaintiff discounted Defendants' maximum exposure by 65% to account for the risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration agreements, and an additional 75% to account for Defendants' defenses on the merits or failure to recover the full amount sought, to arrive at an estimated exposure of approximately $108,669.

19. Plaintiff alleges that Defendants failed to pay all overtime wages owed by not including all non-discretionary renumeration, including payments denoted as "Bonus SVC" or "Bonus New Pay" into the "regular rate" of pay. Based on Plaintiff's review of employee payroll and timekeeping records, Plaintiff estimates the maximum possible exposure for this claim as approximately $19,453. However, Defendants argue that they properly included all forms of remuneration when calculating the regular rate of pay, and therefore paid all overtime wages to Class Members. Defendants further argue that Class Members received different types of bonus pay throughout the Class Period, creating substantive differences among the Class Members with respect to the incentives received, making class certification unlikely.  light of these defenses, Plaintiff discounted the maximum amount that the class could potentially recover by 60% for risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration agreements, and discounted an additional 65% for risk of being unsuccessful on the merits or failure to recover the full amount sought, to arrive at an estimated total of approximately $2,723.

20. Plaintiff alleges that Defendants' timekeeping policies and/or practices resulted in Plaintiff and other non-exempt employees not being compensated for all hours actually worked. Plaintiff alleges that he and other Class Members were required to perform work duties such as, washing cars, pulling cars out of the garage, and/or dropping off customers, while off-the-clock. As a result of these policies/practices, Plaintiff alleges Defendants failed to compensate Plaintiff and other non-exempt employees for all minimum and overtime wages owed. Plaintiff estimated that the failure to compensate employees for all off-the-clock work

resulted in approximately 15 minutes per week of unpaid work, or a total of 3,003 unpaid hours during the Class Period. Because employees generally worked shifts of at least eight (8) hours, Plaintiff contends that these unpaid wages must be paid at an overtime rate of pay. Therefore, Plaintiff estimates Defendants' maximum exposure for this claim at approximately $93,153 (3,003 unpaid hours * $31.02 average overtime rate of pay). However, Defendants counter that their timekeeping policies/practices complied with California law and that it has always properly compensated Class Members for all hours worked throughout the Class Period. Defendants further contend that Class Members did not work off-the-clock and that its policies specifically disavow such off-the-clock work. Defendants further argue that Plaintiff's off-the-clock claim is not appropriate for class treatment.  Based on these defenses, Plaintiff discounted the estimated maximum amount by 65% for risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration agreements, and by an additional 75% to account for risk of losing on the merits or failure to recover the maximal amount sought, to arrive at an estimated exposure of approximately $8,151.

21. Plaintiff alleges that Defendants failed to reimburse him and other putative class members for all reasonable and necessary work expenditures, including personal cellular phone expenses. Specifically, Defendants required Plaintiff and other non-exempt employees to use their personal cellular phones for a variety of work activities, including communication with customers; however, Defendants failed to reimburse Plaintiff and other non-exempt employees for the costs associated with their cellular phones. Plaintiff estimates Defendants' maximum liability for its failure to reimburse employees for usage of their personal cellular phones at approximately $30,030 (6,006 pay periods * $5.00 per pay period). In response, Defendants maintain that Class Members were not required to use their personal cellular phones as part of their job. Defendants further argue that any expenses incurred by Class Members were extremely minimal, given the wide availability of low-cost cellular phone plans. Defendants further contend that this claim would require individual inquiries into whether Class Members actually used their personal cellular phones for work purposes, how much expense they incurred, whether they submitted a request for reimbursement, and the reasonableness of that expense, thus precluding

class certification. Based on these defenses, Plaintiff discounted the estimated maximum amount by 65% for risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration agreements, and by an additional 70% to account for risk of losing on the merits or failure to recover the maximal amount sought, to arrive at an estimated exposure of approximately $3,153.

22. As a result of the unpaid wages and unpaid meal and rest period premium wages described above, Plaintiff alleges that Defendants are liable for wage statement penalties. Based on the data produced, there are 153 putative class members and 3,357 pay periods worked within the one-year liability window relevant to Labor Code § 226. Section 226 provides for a $50 penalty for each "initial" violation and $100 for each "subsequent" violation, with a cap of $4,000 per employee. Plaintiff calculates Defendants' maximum wage statement exposure at approximately $328,050 ([153 "initial" violations * $50] + [3,204 "subsequent" violations * $100]) in potential penalties. However, given Defendants' arguments that no violations occurred, that Class Members suffered no "injury", that any violations were not "knowing and intentional," that the wage statement accurately reflected amounts paid, as well as risks associated with Plaintiff's underlying claims discussed above, Plaintiff discounted the maximum exposure by 75% for risk of non-certification, and by an additional 75% for risks on the merits, for an estimated realistic exposure of approximately $20,503.

**CMO ¶ G(9)**

23. As a result of the foregoing Labor Code violations, Plaintiff alleges that Defendants are liable for civil penalties under the PAGA. Assuming that Plaintiff could prove at least one underlying Labor Code violation in each pay period within the PAGA Period, Plaintiff estimates Defendants' maximum PAGA exposure at $335,700.00 (calculated from 3,357 pay periods * $100.00 initial violation rate). Since Plaintiff's PAGA claim is derivative of Plaintiff's underlying wage claims, Defendants assert the PAGA claim would fail with those claims. Defendants further maintain that, given their good faith defenses, this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendants liable for any of Plaintiff's claims. Plaintiff therefore discounted the maximum figure by 75% for the risk of

being unable to proceed on a representative basis and risk of losing of the merits, and/or not recovering a PAGA penalty in each and every pay period, and an additional 75% to account for the possibility of this Court reducing penalties, to arrive at an estimated exposure of approximately $20,981. There are also approximately 153 Class Members who worked during the PAGA Period. Therefore, the average payment from the PAGA Amount is estimated at approximately $16.34.

**CMO ¶¶ G(3)(a)(ii)(C) and G(3)(a)(iii)(C)**

24. Therefore, if Plaintiff was entirely successful at trial on all claims described above, Plaintiff estimates the maximum total exposure to be approximately $2,226,936.00. However, taking into account Defendants' various defenses, both as to certification and merits issues, difficulties of proof, and other risks described above, Plaintiff predicted that the potential likely recovery for the Settlement Class at trial would be approximately $190,271.00. The proposed settlement of $165,000.00 therefore represents approximately 86.7% of the reasonably forecasted recovery for the Settlement Class, while avoiding the further expense and serious risk of proceeding towards class certification and trial. Taking into account the risk of non-certification, failure to prevail on the merits, and the Court's power to reduce the civil penalties, the proposed Settlement falls well within the realm of being fair, reasonable, and adequate. Preliminary approval is appropriate since the Settlement will provide significant monetary relief to Class Members without the uncertainty, delay, and additional expense of further litigation.

25. Although Plaintiff steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that there were substantial risks and uncertainty in proceeding with litigation. As described above, Defendants presented multiple defenses to Plaintiff's claims, both on the merits and with respect to class certification. Thus, while Plaintiff was prepared to litigate these claims through class certification, and ultimately trial, success was far from certain.

26. Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete in formal litigation had the matter not settled. This would have required expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiff was to certify the classes, the

Parties would incur considerably more attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

27. My office will also apply for an attorneys' fees award of one-third of the Gross Settlement Amount, which is currently estimated to be $55,000.00, and up to $30,000.00 in verified costs reimbursement. Plaintiff submits the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. My office has incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiff's claims, conducting legal research, conducting extensive informal discovery, analyzing Class Members' timekeeping and payroll records and other data and documents, creating a comprehensive damages model, preparing for and attending mediation, negotiating and preparing the long-form Settlement Agreement, preparing this Motion, and otherwise litigating the case. My office expects to expend additional attorney time in attending the hearing on this Motion, overseeing the Notice process and fielding questions from Class Members, preparing the final approval papers, and attending the Final Approval hearing.

28. As will be fully briefed at the time of final approval, Plaintiff's requested Enhancement Payment is intended to recognize the time and effort Plaintiff expended on behalf of the Settlement Class, including providing substantial factual information and documents to Class Counsel, discussing the claims and theories at issue in the litigation, actively participating in the prosecution of their claims, gathering a reviewing documents for use in the lawsuit, preparing for mediation and reviewing the Settlement Agreement, as well as the significant risks Plaintiff undertook by agreeing to serve as named plaintiff in this case, and the fact that Plaintiff agreed to a general release of all claims subject to a waiver of Civil Code § 1542.

**CMO ¶¶ G(3)(d)(i), G(3)(d)(ii)**

29. Plaintiff proposes that the Settlement be administered by ILYM Group, Inc. ("ILYM"), an experienced class action settlement administrator. Plaintiff obtained bids for administration from ILYM ($6,950), CPT Group ($9,000), and Phoenix Settlement Administrators ($8,500). The Parties agreed to use ILYM based on its reasonable bid and its

consistent track record and high-quality settlement administration work performed for hundreds of class action settlements similar to this one. Anthony Rogers of ILYM will file a declaration attesting to the administrator's experience, fee to be charged, and how such fee was calculated concurrently with Plaintiff's Motion

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on September 8, 2025, at El Segundo, California.

Sean M. Blakely

# EXHIBIT A

**STIPULATION OF SETTLEMENT**

This Stipulation of Settlement ("Settlement Agreement") is reached by and between Plaintiff Sergio Huizar (hereinafter "Plaintiff"), individually and on behalf of all members of the Settlement Class (defined below) on one hand, and Defendants J. Velarde, Inc. dba Crystal Chrysler Dodge Jeep Ram, Robert N. La Torre, Inc. dba Torre Nissan, and Geovel Inc. dba I-10 Chrysler Dodger Jeep Ram (collectively referred to as "Defendants"), on the other hand. Plaintiff and Defendants are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC ("Class Counsel"). Defendants are represented by Spencer W. Waldron and Nelly Pineda of Fisher & Phillips LLP.

On December 13, 2023, Plaintiff filed a wage and hour class action complaint in Riverside County Superior Court in the matter entitled *Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram, et al.,* Riverside Superior Court Case No. CVRI2306697 (the "Action"). On February 20, 2024, Plaintiff filed a First Amended Class and Representative Action Complaint ("FAC"), adding a cause of action for civil penalties under the Private Attorneys General Act ("PAGA"). The FAC pleads the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) failure to indemnify for all necessary business expenditures; (7) unfair competition; and (8) civil penalties under the PAGA.

Given the uncertainty of litigation, Plaintiff and Defendants wish to settle both individually and on behalf of the Settlement Class. The Parties believe that the Settlement is fair, reasonable and adequate. The Settlement was arrived at through arm's-length negotiations, taking into account all relevant factors. Accordingly, Plaintiff and Defendants agree as follows:

1. **Settlement Class or Class Member(s).** For the purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to the conditional certification of the following Settlement Class:

> All current and former non-exempt employees who worked for Defendants J. Velarde, Inc. dba Crystal Chrysler Dodge Jeep Ram, Robert N. La Torre, Inc. dba Torre Nissan, and Geovel Inc. dba I-10 Chrysler Dodger Jeep Ram in the State of California at any time from December 13, 2019 until January 11, 2025 (the "Class Period").

The Parties stipulate to conditional class certification of the Settlement Class for the Class Period for purposes of settlement only. The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, in any way prevents or prohibits Defendants from obtaining a complete resolution of the claims as described herein, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in this matter or in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Class Members and Plaintiff**. In exchange for the consideration set for in this Settlement Agreement, Plaintiff and every member of the Settlement Class (except those who opt out) will be deemed to expressly and fully release and discharge Defendants, and all of their past and present directors, officers, employees, and agents (collectively, the "Released Parties"), as follows:

A. Class Members release any and all claims alleged in the First Amended Class and Representative Action Complaint ("FAC"), or those claims based solely on the facts alleged in the FAC, including: (a) minimum wage violations; (b) failure to pay all overtime wages; (c) failure to provide all meal periods, or premium pay for non–compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to issue accurate, compliant, and itemized wage statements; (f) failure to indemnify for all necessary business expenditures; and (g) all claims for unfair business practices that were premised on the facts, claims, causes of action or legal theories of relief pled in the operative FAC (collectively, the "Released Claims"). The period of the Release shall extend to the limits of the Class Period.

B. Plaintiff releases all claims for statutory penalties against the Released Parties that could have been sought by the Labor Commissioner during the PAGA Period, for the violations identified in Plaintiff's December 13, 2023 PAGA letter to the Labor & Workforce Development Agency ("LWDA"), including Labor Code violations alleged in the FAC.

C. In light of Plaintiff's Class Representative Enhancement Payment, Plaintiff has also released, in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiff understands that this release includes unknown claims and that he is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

However, to the extent that Plaintiff has claims that cannot be released as a matter of law (i.e., workers' compensation claims), then those claims will not be released.

3. **Gross Settlement Amount.** As consideration, Defendants have agreed to pay a non-reversionary Gross Settlement Amount of One Hundred Sixty-Five Thousand Dollars and Zero Cents ($165,000.00) in full and complete settlement of the Action, as follows:

A. The Parties have agreed to engage ILYM Group, Inc. as the "Settlement Administrator" to administer this Settlement.

B. This is a non-reversionary settlement. The Gross Settlement Amount includes:

(1) All payments (including interest) to the Settlement Class;

(2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Six Thousand Nine Hundred Fifty Dollars and Zero Cents ($6,950.00). If the actual costs exceed Six Thousand Nine Hundred Fifty Dollars and Zero Cents ($6,950.00), the additional costs shall be deducted from the Gross Settlement Amount. If the actual costs are less than Six Thousand Nine Hundred Fifty Dollars and Zero Cents ($6,950.00), the difference will revert to the participating Class Members;

(3) Up to Five Thousand Dollars and Zero Cents ($5,000.00), for Plaintiff's Class Representative Enhancement Payment in recognition of his contribution to the Action and his service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to revoke this settlement, and it will remain binding. Any amount reduced and/or not approved by the Court will revert to the participating Class Members;

(4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty Thousand Dollars and Cents ($30,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke this settlement, and it will remain binding. Any amount reduced and/or not approved by the Court will revert to the participating Class Members; and

(5) Ten Thousand Dollars and Zero Cents ($10,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Two Thousand Five Hundred Dollars and Zero Cents ($2,500.00), will be payable to the Settlement Class as the "PAGA Amount."

D. Defendants' share of employer-side payroll taxes shall be paid by Defendants separately, and in addition to, the Gross Settlement Amount.

E. **Escalator Clause**. The Gross Settlement Amount is based on Defendants' representations that there are an estimated 12,011 total collective workweeks worked by Settlement Class members during the Class Period. If the number of workweeks during the Class Period exceeds this figure by more than 10% (i.e., if there are 13,213 or more workweeks), Defendants shall have the option to either: (1) increase the Gross Settlement Amount on a proportional basis above the 10%

threshold (i.e., if there was a 15% increase in the number of workweeks, Defendants shall increase the Gross Settlement Amount by 5%); or (2) shorten the Class Period to cover the time period encompassing 13,213 workweeks.

4. **Payments to the Settlement Class.** Class Members are not required to submit a claim form to receive a payment ("Settlement Payment") from the Settlement. Settlement Payments will be determined and paid as follows:

A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Enhancement Payment, the amount set aside as PAGA civil penalties, and the Settlement Administrator's fees and expenses for administration. The remaining amount shall be known as the "Net Settlement Amount."

B. From the Net Settlement Amount, the Settlement Administrator will calculate each Class Member's Settlement Payment based on the following formula:

i. Payments to all participating Class Members: The Settlement Administrator will calculate payments from the Net Settlement Amount based on each participating Class Member's proportionate Workweeks worked during the Class Period. Specifically, each participating Class Member's payment from the Net Settlement Amount will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Class Member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Class Members during the Class Period.

ii. PAGA Amount: In addition to the Net Settlement Amount, each Class Member who was employed by Defendants at any time from December 13, 2022 until January 11, 2025 ("PAGA Period") (including those Class Members who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Two Thousand Five Hundred Dollars and Zero Cents ($2,500.00) designated as the "PAGA Amount" taken from the Gross Settlement Amount as described above and shall be paid based on the proportionate number of pay periods that he or she worked during the PAGA Period.

C. Within ten (10) calendar days following Defendants' deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Payment amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Payments, less applicable taxes and withholdings, to participating Class Members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendants' counsel. After Settlement Payments are mailed to Class Members, the Settlement

Administrator shall distribute the amounts approved for Class Counsel's attorneys' fees and litigation costs, Plaintiff's Enhancement Payment, payment to the LWDA for its share of PAGA civil penalties, and settlement administration expenses.

D. For purposes of calculating applicable taxes and withholdings, each Settlement Payment shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties. Any payment made from the Net Settlement Amount shall be allocated as follows: Twenty percent (20%) as wages; and Eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing to participating Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.

E. Each Class Member who receives a Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. For any Class Members whose check is uncashed and cancelled after the void date, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member.

F. Neither Plaintiff nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be Fifty-Five Thousand Dollars and Zero Cents ($55,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty Thousand Dollars and Zero Cents ($30,000.00), from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award awarded by the Court.

6. **Class Representative Enhancement Payment.** Defendants will not object to a request for a Class Representative Enhancement Payment of up to Five Thousand Dollars ($5,000.00) to Plaintiff for his time and risk in prosecuting this case, and his service to the Settlement Class. This award will be in addition to Plaintiff's Settlement Payment as Class Member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested enhancement payment, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendants will not object to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendants will not object to Plaintiff's seeking permission to pay up to Six Thousand Nine Hundred Fifty Dollars and Zero Cents ($6,950.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices, calculating Settlement Payments, preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Payments have been mailed to all participating Class Members.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;

B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;

C. Appointing Sergio Huizar as Class Representative for the Settlement Class;

D. Approving ILYM Group, Inc. as the Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice, Request for Exclusion Form, and Objection Form), and directing the mailing of the same in English and Spanish; and

G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Defendants will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of workweeks worked by each Class Member while employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Class Members through the National Change of Address ("NCOA") database to determine any updated addresses for Class Members; (ii) update the address of any Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Payment for each Class Member; and (iv) mail a Notice Packet to each

Class Member in both English and Spanish via U.S. First Class mail at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

C. Requests for Exclusion. Any Class Member who wishes to opt out of the settlement must complete and mail or deliver a Request for Exclusion Form to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

i. The Notice Packet shall state that a Class Member who wishes to exclude themselves from the Settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, and telephone number of the Class Member; (2) contain a statement that the Class Member wishes to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline and mailed or delivered to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except that a Request for Exclusion not containing a Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. However, Class Members who were employed by Defendants at any time during the PAGA Period and submit a valid and timely Request for Exclusion from the class action settlement shall still be entitled to their portion of the PAGA Amount described above.

D. Objections. Class Members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' counsel, as well as file all such objections with the Court). Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendants' counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any objection should: (1) contain the objecting Class Member's full name and current address, as well as contact information for any attorney representing the objecting Class Member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also orally object to the Settlement by appearing at the Final

Approval Hearing. Members of the Settlement class who request exclusion *may not* object to the Settlement.

E. <u>Notice of Settlement Payment / Disputes.</u> Each Notice Packet mailed to a Class Member shall disclose the amount of the Class Member's estimated Settlement Payment as well as all of the information that was used from Defendants' records in order to calculate the Settlement Payment. Class Members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Notice Packet, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Payments under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment shall be binding upon the Class Member and the Parties.

F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Class Member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member. Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, an Objection, or a dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Class Member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's counsel to provide notice of the proposed settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

B. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, LWDA payment, and settlement administration costs; and

C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the Settlement Administrator's website.

11. **Non-Admission of Liability.** Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, and nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. All of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Non-disclosure and Non-publication**. Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Class Members, as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein, or unless otherwise ordered by the Court. Class Counsel shall not report this Settlement in any medium or in any publication, shall not post or report anything regarding Plaintiff's claims on Class Counsel's website, and shall not contact any reporters or media regarding the Settlement. Class Counsel are authorized to make a limited disclosure for the purpose of obtaining approval of the Settlement. For the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Spencer W. Waldron, Fisher & Phillips LLP, 2050 Main Street, Suite 100, Irvine, California 92614; swaldron@fisherphillips.com

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

16. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: July 23, 2025

J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram

By:____________________________
Title: Vice President

DATED: July 23, 2025

Robert N. La Torre, Inc. d.b.a. Torre Nissan

By:____________________________
Title: Vice President

DATED: July 23, 2025

Geovel, Inc. d.b.a. I-10 Chrysler Dodge Jeep Ram

By:____________________________
Title: Vice President

DATED: Jul 8, 2025

Sergio Huizar

By: Sergio Huizar (Jul 8, 2025 17:25 PDT)
Plaintiff and Settlement Class Representative

**APPROVED AS TO FORM:**

DATED: July 23, 2025

FISHER & PHILLIPS, LLP

By: Nelly Pineda
Spencer W. Waldron
Nelly Pineda
Attorneys for Defendants

DATED: July 8, 2025

HAINES LAW GROUP, APC

BY:
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

# EXHIBIT 1

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**
***Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram, et al.***
**Riverside County Superior Court**
**Case No.: CVRI2306697**

To: All current and former non-exempt employees who worked for Defendants J. Velarde, Inc. dba Crystal Chrysler Dodge Jeep Ram, Robert N. La Torre, Inc. dba Torre Nissan, and Geovel Inc. dba I-10 Chrysler Dodger Jeep Ram in the State of California at any time from December 13, 2019 until January 11, 2025.

**PLEASE READ CAREFULLY**
**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**
**THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH**

***Why should you read this Notice?***

The Court has granted preliminary approval of a proposed settlement (the "Settlement") in the matter of *Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram., et al.* Riverside County Superior Court Case No. CVRI2306697 (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Defendants J. Velarde, Inc. dba Crystal Chrysler Dodge Jeep Ram, Robert N. La Torre, Inc. dba Torre Nissan, and Geovel Inc. dba I-10 Chrysler Dodger Jeep Ram's (hereinafter "Defendants") records show that you were employed by Defendants as a non-exempt employee in the State of California at any time from December 13, 2019, until January 11, 2025 (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

***What is this case about?***

Plaintiff Sergio Huizar ("Plaintiff") brought this Action against Defendants, seeking to assert claims on behalf of a class of all current and former non-exempt employees who worked for Defendants in California at any time during the Class Period. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Class Members, are known as "Class Counsel."

In the Action, Plaintiff alleges that Defendants: (1) failed to pay all minimum wages; (2) failed to pay all overtime wages; (3) failed to provide all meal periods; (4) failed to authorize and permit all rest periods; (5) failed to furnish accurate, compliant, and itemized wage statements; (6) failed to reimburse for all necessary business expenditures; (7) engaged in unfair, unlawful business practices; and (8) are liable for civil penalties under the Private Attorneys' General Act ("PAGA").

A PAGA action is a form of representative action that allows employee plaintiffs to act on behalf of the government as agents of the state's labor law enforcement agencies. By acting as a private attorney general, an "aggrieved employee" who has been affected by at least one Labor Code violation committed by their employer can use a PAGA action as a means to collect civil penalties for those violations. 75% of any collected penalties go to the state's Labor and Workforce Development Agency ("LWDA"), and the remaining 25% of penalties are distributed evenly among all aggrieved employees.

Defendants deny that they have done anything wrong. Defendants also deny that they owe Class Members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendants, who expressly deny all liability.

The Court has not ruled on the merits of Plaintiff's claims. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate and reasonable. Any final determination of whether the proposed Settlement is fair, adequate, and reasonable will be made at the Final Approval Hearing. However, to avoid additional expense, inconvenience, and interference with its business operations, Defendants have concluded that it is in its best interests to settle the Action on the terms summarized in this Notice. After Defendants provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

**If you are still employed by Defendants, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants' policies strictly prohibit unlawful retaliation.** Defendants will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of his or her decision to either participate or not participate in the Settlement.

***Who are the Attorneys?***

| Attorneys for Plaintiff/Settlement Class: | Attorneys for Defendants: |
|---|---|
| **HAINES LAW GROUP, APC**<br>Paul K. Haines<br>phaines@haineslawgroup.com<br>Sean M. Blakely<br>sblakely@haineslawgroup.com<br>Joel M. Gordon<br>jgordon@haineslawgroup.com<br>2155 Campus Drive, Suite 180<br>El Segundo, California 90245<br>Tel: (424) 292-2350<br>Fax: (424) 292-2355<br>haineslawgroup.com | **FISHER & PHILLIPS LLP**<br>Spencer W. Waldron<br>swaldron@fisherphillips.com<br>Nelly Pineda<br>npineda@fisherphillips.com<br>2050 Main Street, Suite 1000<br>Irvine, California 92614<br>Telephone: (949) 851-2424<br>Facsimile: (949) 851-0152<br>fisherphillips.com |

***What are the terms of the Settlement?***

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for Defendants in the State of California at any time from December 13, 2019, until January 11, 2025. Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendants as described below.

Defendants have agreed to pay $165,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Class Members, Class Counsel's attorneys' fees and expenses, settlement administration costs, payment to the LWDA, and the Class Representative Enhancement Payment.

The following deductions from the Gross Settlement Amount will be requested by the parties:

<u>Settlement Administration Costs.</u> The Court has approved ILYM Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to $6,950 from the Gross Settlement Amount to pay the settlement administration costs.

<u>Attorneys' Fees and Expenses.</u> Class Counsel have been prosecuting the Action on behalf of Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and

expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Settlement Amount, which is currently estimated at $55,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to $30,000.00 in verified costs incurred in connection with the Action.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an enhancement payment in the amount of $5,000.00, to compensate him for his service and extra work provided on behalf of Class Members.

PAGA Payment to State of California. The parties have agreed to allocate $10,000.00 towards the Settlement of the PAGA claims in the Action. $7,500.00 will be paid to the LWDA, representing its 75% share of the civil penalties. The remaining $2,500.00 will be allocated to Class Members as the "PAGA Amount" as described below.

Calculation of Settlement Payments to all participating Class Members: After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Class Members who do not submit a valid and timely Request for Exclusion form (described below). The Net Settlement Amount is estimated at approximately $58,050.00.

(i) Payments to all participating Class Members: The Settlement Administrator will calculate payments from the Net Settlement Amount based on each participating Class Member's proportionate Workweeks worked during the Class Period. Specifically, each participating Class Member's payment from the Net Settlement Amount will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Class Member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Class Members during the Class Period.

(ii) PAGA Amount: In addition to the Net Settlement Amount, each Class Member who was employed by Defendants at any time from December 13, 2022 until January 11, 2025 ("PAGA Period") (including those Class Members who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Two Thousand Five Hundred Dollars and Zero Cents ($2,500.00) designated as the "PAGA Amount" taken from the Gross Settlement Amount as described above and shall be paid based on the proportionate number of pay periods that he or she worked during the PAGA Period.

Settlement Payments to Class Members. If the Court grants final approval of the Settlement, individual Settlement Payments will be mailed to all Class Members who did not submit a valid and timely Request for Exclusion from the Settlement. Each Class Member who receives a Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. For any Class Members whose check is uncashed and cancelled after the void date, the Settlement Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member.

Allocation and Taxes. For purposes of calculating applicable taxes and withholdings, each Settlement Payment shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties. Any payment made from the Net Settlement Amount shall be allocated as follows: Twenty percent (20%) as wages; and Eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing to participating Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. The Settlement Administrator, Defendants and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, Plaintiff and every member of the Settlement Class (except those who opt out) will be deemed to expressly and fully release and discharge Defendants, and all of their past and present directors, officers, employees, and agents (collectively, the "Released Parties"), as follows:

Class Members release any and all claims alleged in the First Amended Class and Representative Action Complaint ("FAC"), or those claims based solely on the facts alleged in the FAC, including: (a) minimum wage violations; (b) overtime violations; (c) meal period violations; (d) rest break violations; (e) wage statements violations; (f) failure to indemnify for all necessary business expenditures; and (g) all claims for unfair business practices that were premised on the facts, claims, causes of action or legal theories of relief pled in the operative FAC (collectively, the "Released Claims"). The period of the Release shall extend to the limits of the Class Period.

In addition, Plaintiff and every member of the Settlement Class releases all claims for statutory penalties against the Released Parties that could have been sought by the Labor Commissioner during the PAGA Period, for the violations identified in Plaintiff's December 13, 2023 PAGA letter to the LWDA, including Labor Code violations alleged in the FAC.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

***How can I claim money from the Settlement?***

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked for Defendants during the Class Period, as well as paid based on the proportionate number of pay periods that you worked during the PAGA Period. You also will be bound by the Settlement, including the release of claims stated above.

***What other options do I have?***

Dispute Information in Notice of Settlement Payment. Your payment is based on the proportionate number of workweeks you worked for Defendants during the Class Period, as well as the proportionate number of pay periods that you worked during the PAGA Period. The information contained in Defendants' records regarding each of these factors, along with your estimated Settlement Payment, is listed below. If you disagree with the information listed below, you may submit a dispute, along with any supporting documentation, to ILYM Group, Inc., 2832 Walnut Ave STE C, Tustin, CA 92780. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will determine whether any adjustments are warranted, and if so, will consult with the Parties and make any adjustments approved by the Parties.

According to Defendants' records:

- **(a)** you worked for Defendants in the State of California from ________________ to _____________;
- **(b)** you worked ____ workweeks between December 13, 2019, through January 11, 2025 for Defendants;
- **(c)** you worked ____ pay periods between December 13, 2022, through January 11, 2025 for Defendants;

Based on the above, your Settlement Payment is estimated at **$**________. The average Settlement Payment is estimated at $252.39. The lowest Settlement Payment to a Class Member is estimated at $4.83. The highest Settlement Payment to a Class Member is estimated at $1,024.64.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the class action settlement, you may exclude yourself by sending to the Settlement Administrator an executed Request for Exclusion Form no later than forty-five (45) calendar days of <<RESPONSE DEADLINE>>, with your name, address, and telephone number.

Send the Request for Exclusion Form directly to the Settlement Administrator at ILYM Group Inc., 2832 Walnut Ave STE C, Tustin, CA 92780. Any person who submits a timely Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, and shall be barred from participating in any portion of the Class Action Settlement. However, you may not opt out of the PAGA Settlement, and you will still be entitled to a portion of the PAGA Amount as described above. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it (with the exception of the PAGA Settlement, which you may not object to), you may mail a written objection to the Settlement Administrator at ILYM Group Inc., 2832 Walnut Ave STE C, Tustin, CA 92780. Your written objection should have: (1) your full name and current address, as well as contact information for any attorney representing you for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the <<RESPONSE DEADLINE>>. An Objection Form is included with this Notice.

You may also appear at the Final Approval Hearing scheduled for February 27, 2026 at 8:30 a.m. in Department 1 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram, et al.* Riverside County Superior Court, Case No.: CVRI2306697.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.

***What is the next step?***

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on February 27, 2026 at 8:30 a.m, in Department 1 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, settlement administration costs, and the Class Representative Enhancement Payment. The Final Approval Hearing may be postponed without further notice to Class Members. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

***How can I get additional information?***

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501, during regular court hours. You may also view the case file online at www.riverside.courts.ca.gov by going to the "Search Court Records" tab, selecting "Civil, Small Claims and Unlawful Detainer Case Information," and entering the case number information. This case is assigned to Department 1 of the Riverside Historic Courthouse, located at 4050 Main Street, Riverside, California 92501. The Settlement Agreement is attached as Exhibit A to the Declaration of Sean M. Blakely In Support of Plaintiff's Motion For Preliminary Approval of Class Action Settlement, filed on September 8, 2025. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS**

***REMINDER AS TO TIME LIMITS***

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

# EXHIBIT 2

# <u>REQUEST FOR EXCLUSION FORM</u>

***Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram, et al.***
**RIVERSIDE COUNTY SUPERIOR COURT**
**Case No.: CVRI2306697**

**IF YOU *<u>DO NOT</u>* WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST *<u>COMPLETE</u>*, *<u>SIGN</u>* AND *<u>MAIL</u>* OR DELIVER THIS FORM, POSTMARKED WITHIN FORTY-FIVE (45) CALANDER DAYS ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:**

| |
|---|
| **ILYM GROUP, INC.**<br>***SERGIO HUIZAR V. J. VELARDE, INC. D.B.A. CRYSTAL CHRYSLER DODGE JEEP RAM, ET Al.***<br>**SETTLEMENT ADMINISTRATOR**<br>**2832 WALNUT AVE STE C**<br>**TUSTIN, CA 92780**<br>**(888) 250-6810**<br>**(888) 845-6185** |

**DO <u>NOT</u> SUBMIT THIS FORM IF YOU WISH TO BE PART OF THE CLASS ACTION SETTLEMENT.**

By signing, filling out, and returning this form, I confirm that I ***<u>do not</u>*** want to be included in the Settlement of the lawsuit entitled *Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram, et al.* Riverside County Superior Court Case No. CVRI2306697.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN *SERGIO HUIZAR V. J. VELARDE, INC. D.B.A CRYSTAL CHRYSLER DODGE JEEP RAM, ET Al.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT. HOWEVER, I MAY STILL BE ENTITLED TO RECEIVE A PORTION OF THE SETTLEMENT OF THE CLAIMS BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 (“PAGA”) AS DESCRIBED IN THE ACCOMPANYING NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT.

________________________________________________
Name Telephone Number

________________________________________________
Address

________________________________________________
Date Signature

# EXHIBIT 3

# <u>OBJECTION FORM</u>

***Sergio Huizar v. J. Velarde, Inc. d.b.a. Crystal Chrysler Dodge Jeep Ram, et al.***

**RIVERSIDE COUNTY SUPERIOR COURT**

**Case No.: CVRI2306697**

All objections must be mailed or delivered directly to the Settlement Administrator, ILYM GROUP, INC. at 2832 WALNUT AVE STE C TUSTIN, CA 92780 on or before <<RESPONSE DEADLINE>>. All objections must be postmarked or delivered on or before <<RESPONSE DEADLINE>>.

**<u>Objecting Class Member Information:</u>**

____________________________________________________________

Name Telephone Number

____________________________________________________________

Address

____________________________________________________________

Date Signature

**<u>Describe the nature and basis of each objection and please attach additional pages if necessary:</u>**

____________________________________________________________

____________________________________________________________

____________________________________________________________

____________________________________________________________

____________________________________________________________

____________________________________________________________

# EXHIBIT B

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

December 13, 2023

**VIA LWDA WEBSITE**

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Sergio Huizar v. J. Velarde, Inc., et al.*

To Whom It May Concern:

Please be advised that this law firm represents Sergio Huizar ("Mr. Huizar") in claims arising from his employment with J. Velarde, Inc., d.b.a. Crystal Chrysler Dodge Jeep Ram; Robert N. La Torre, Inc., d.b.a. Torre Nissan; Geovel Inc. d.b.a. I-10 Chrysler Dodge Jeep Ram; and Does 1 through 100 (collectively "Defendants"). Mr. Huizar is an "aggrieved employee" as defined by Labor Code Section 2698 *et seq*., due to Defendants' numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" include all of Defendants' non-exempt employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants employed Mr. Huizar in the non-exempt job position of "Service Drive Manager" and/or "Greeter" (or similar job position) from approximately April 2021 until the present.

During Mr. Huizar's employment with Defendants, upon information and belief, Defendants required Mr. Huizar and other aggrieved employees to perform work off-the-clock without compensation. Specifically, Defendants required Mr. Huizar and other aggrieved employees to perform work duties such as washing cars, pulling cars out of the garage, and/or dropping off customers, while off-the-clock. Further, as a result of Defendants' failure to compensate for all hours worked, on those occasions when Mr. Huizar and other aggrieved employees worked over eight hours in a workday and/or forty hours in a workweek, Defendants failed to compensate Mr. Huizar and other aggrieved employees for all overtime wages owed. Due to Defendants' policies/practices that fail to compensate for all hours worked, Mr. Huizar and other aggrieved employees have not been compensated for all required minimum and overtime wages.

Defendants also failed to provide Mr. Huizar and other aggrieved employees with all legally compliant meal periods due to Defendants' meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Specifically, due to work demands imposed by Defendants, Mr. Huizar was regularly not provided with a first meal period prior to the conclusion of his fifth hour of work. Additionally, Defendants failed to provide Mr. Huizar with second meal periods on shifts over 10.0 hours. On those occasions when Mr. Huizar and other aggrieved employees were not provided with all legally compliant meal periods to which they were entitled, Defendants failed to always compensate Mr. Huizar and other aggrieved employees with the required meal period premium(s) for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Defendants maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7 in the event that a legally compliant meal period was not provided to their non-exempt employees.

Defendants have also failed to authorize and permit all required rest periods for Mr. Huizar and other aggrieved employees as Defendants' rest period policies/practices have failed to authorize and permit employees to take an off-duty rest period of at least 10 minutes for every four hours worked, or major fraction thereof. Specifically, Mr. Huizar was often prevented from taking rest periods due to work demands imposed by Defendants. Moreover, Defendants failed to authorize and permit a full ten minutes of "net rest" in an area appropriate for rest away from the workstation during rest periods. Despite failing to authorize and permit Mr. Huizar and other aggrieved employees to take all rest periods to which they were entitled, upon information and belief, during at least a portion of the relevant time period, Defendants maintained no mechanism for the payment of rest period premium payments as required by Labor Code § 226.7 and did not always pay Mr. Huizar or other aggrieved employees rest period premiums when they experienced a rest period violations.

Defendants have also failed to reimburse Mr. Huizar and other aggrieved employees for all necessary business expenses. Specifically, Defendants required Mr. Huizar and other aggrieved employees to use their personal cellular phones to communicate with managers and/or supervisors; however, Defendants failed to reimburse Mr. Huizar and other aggrieved employees for the costs associated with their cellular phones. As a result, Defendants have failed to reimburse Mr. Huizar and other aggrieved employees for expenses incurred in the course of their employment.

As a result of Defendants' failure to compensate Mr. Huizar and other aggrieved employees for all minimum wages, overtime wages, and all meal and rest period premium wages, Defendants maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements. As a further result of Defendants' failure to compensate Mr. Huizar and other aggrieved employees for all minimum wages, overtime wages, and all meal and rest period premium wages, Defendants failed to timely pay all wages owed upon separation of employment.

As described above, Defendants committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 7 ("Wage Order 7"):

Minimum Wage Violations

Defendants were required to pay Mr. Huizar and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 7, § 4. As alleged above, Defendants failed to conform their pay practices to the requirements of the law by failing to pay Mr. Huizar and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 7. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Huizar and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Defendants were required to pay Mr. Huizar and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 7, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." As alleged above, Defendants caused Mr. Huizar and other aggrieved employees to work overtime hours, but failed to credit these employees with all overtime hours actually worked. As a result of these policies/practices, Mr. Huizar and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Huizar and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226. 7 and 512; Wage Order 7, § 11. As a result, Mr. Huizar and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226. 7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

## Rest Period Violations

As alleged above, Defendants also failed to authorize and permit Mr. Huizar and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226. 7 and 516; Wage Order 7, § 12. As a result, Mr. Huizar and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226. 7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

## Wage Statement Violations

Defendants was required to furnish Mr. Huizar and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, total net wages earned, and the name of the legal entity that is the employer. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 7, § 7. As a result of Defendants' failure to pay all overtime wages, minimum wages, and failure to pay all required meal and rest period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Huizar and other aggrieved employees in violation of Labor Code § 226. Defendants' failure to comply with their wage statement obligations was knowing and intentional, and Mr. Huizar and other aggrieved employees have suffered injury as a result.

## Failure to Indemnify Employees for Necessary Business Expenditures

As alleged above, Defendants failed to indemnify Mr. Huizar and other aggrieved employees for necessary work expenses, including the use of their personal cellular phones for business purposes. Defendants' policy of not providing reimbursement for necessary work-related expenses is in violation of Wage Order 7, § 9, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Huizar and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

## Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendants failed to timely pay other aggrieved employees all of their final wages at the time of separation, which included all overtime wages and minimum wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Defendants' failure to pay all final wages due to other aggrieved employees was willful and, consequently, entitles aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendants failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Huizar will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Huizar's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182. 12, 1194, 1194. 2, and 1197 by failing to pay Mr. Huizar and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Huizar and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Huizar and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

d. Defendants violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Huizar and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Huizar and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

e. Defendants violated Labor Code § 226 by failing to furnish Mr. Huizar and other aggrieved employees with accurate and compliant itemized wage statements;

f. Defendants violated Labor Code §§ 2802 and 2804 by failing to indemnify Mr. Huizar and other aggrieved employees for all necessary expenditures incurred;

g. Defendants violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to aggrieved employees;

h. Defendants violated Labor Code § 204 by failing to pay Mr. Huizar and other aggrieved employees all wages earned at least twice during each calendar month; and

i. Defendants violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Huizar and other aggrieved employees.

Pursuant to Labor Code Section § 2699. 3(a)(2)(A), please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC

Paul K. Haines

cc: J. Velarde, Inc. (via certified mail);
Robert N. La Torre, Inc. (via certified mail);
Geovel Inc. (via certified mail)

UNITED STATES POSTAL SERVICE ®

# PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 12/14/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8341 7545 34

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 12/13/2023

ORIGINAL INTENDED RECIPIENT:

J VELARDE INC

C/O: ALEXIA VELARDE

36444 AUTO PARK DR

CATHEDRAL CTY CA 92234-6500

The above information represents information provided by the United States Postal Service.

UNITED STATES
POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 12/18/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8341 7545 34. Our records indicate that this item was delivered on 12/15/2023 at 10:25 a.m. in CATHEDRAL CITY, CA 92234. The scanned image of the recipient information is provided below.

Signature of Recipient :

L John
Linda Johnso

Address of Recipient :

36444 auto Park

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

J VELARDE INC
C/O: ALEXIA VELARDE
36444 AUTO PARK DR
CATHEDRAL CTY CA 92234-6500

Customer Reference Number: C4666760.27981912

UNITED STATES POSTAL SERVICE ®

# PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 12/14/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8341 7545 58

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 12/13/2023

ORIGINAL INTENDED RECIPIENT:

ROBERT N LA TORRE INC
C/O: JOANNA RAMIREZ
79125 HIGHWAY 111
LA QUINTA CA 92253-2069

The above information represents information provided by the United States Postal Service.

UNITED STATES POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 12/18/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8341 7545 58. Our records indicate that this item was delivered on 12/15/2023 at 11:02 a.m. in LA QUINTA, CA 92253. The scanned image of the recipient information is provided below.

Signature of Recipient : [illegible]

Address of Recipient : 79125 Hwy 111

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

ROBERT N LA TORRE INC
C/O: JOANNA RAMIREZ
79125 HIGHWAY 111
LA QUINTA CA 92253-2069

Customer Reference Number: C4666760.27981913

UNITED STATES POSTAL SERVICE ®

# PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 12/14/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8341 7546 33

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 12/13/2023

ORIGINAL INTENDED RECIPIENT:

GEOVEL INC
C/O: JORGE VELARDE
79200 VARNER RD
INDIO CA 92203-9768

The above information represents information provided by the United States Postal Service.

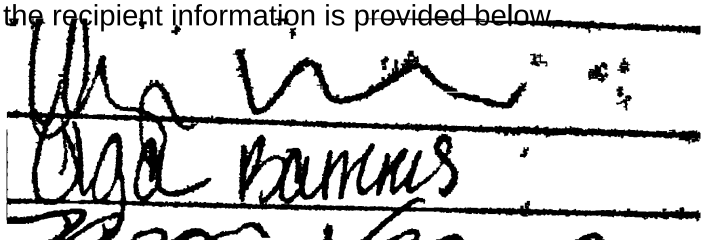
Mailer: Haines Law Group

Date Produced: 12/18/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8341 7546 33. Our records indicate that this item was delivered on 12/15/2023 at 02:59 p.m. in INDIO, CA 92203. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

GEOVEL INC
C/O: JORGE VELARDE
79200 VARNER RD
INDIO CA 92203-9768

Customer Reference Number: C4666760.27981914