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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

BRIAN LOZA, as an individual and on behalf of all others similarly situated, Plaintiff, vs. HIDDEN VALLEY INVESTMENTS, INC., dba QUALITY CHEVROLET and QUALITY CHEVROLET COMMERCIAL TRUCK, a California Corporation; and DOES 1 through 100, Defendants.	Case No.: 24CU009062C [*Case Assigned for all purposes to the Hon. Katherine A. Bacal; Dept. C-63*] **DECLARATION OF ANDREW J. ROWBOTHAM IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT** Date: November 14, 2025 Time: 1:30 p.m. Dept.: C-63 Action Filed: September 3, 2024 Trial Date: None Set

DECLARATION OF ANDREW J. ROWBOTHAM

I, Andrew J. Rowbotham, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for named Plaintiff Brian Loza ("Plaintiff") 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 2014 graduate of Pepperdine University School of Law and was admitted to the California State Bar in December 2014. Since that time, I have practiced exclusively in the area of plaintiff's employment litigation. From October 2014 to May 2015, I worked as an associate at the Mesriani Law Group, an employment law firm in Santa Monica, California. The vast majority of my work focused on representing employees in wage and hour and wrongful termination actions. Although non-exhaustive, the type of work I performed included: conducting client intakes; performing pre-filing research and analysis; drafting complaints and letters to the Labor & Workforce Development Agency; attending court hearings; corresponding with opposing counsel; drafting and responding to written discovery; analyzing payroll and timekeeping records and employee handbooks; drafting complaints and mediation briefs; attending mediations; and drafting long-form settlement agreements.

3. Since April 2016, I have worked at my current firm, Haines Law Group, APC. I am currently involved with approximately fifty (50) active wage and hour class actions, including a number of "hybrid" actions asserting nationwide wage and hour claims under the Fair Labor Standards Act, as well as California-specific claims under Rule 23 of the Federal Rules of Civil Procedure.

4. The following is a non-exhaustive list of wage and hour class actions (which have been granted final approval) in which I have been named as Class Counsel:

- *Rodriguez v. Spartan, Inc.*, Case No. BCV-15-100007-DRL, California Superior Court, County of Kern, Honorable David R. Lampe, presiding;

- *Tapper v. Squad Security CA, Inc.*, Case No. BC607241, California Superior Court, County of Los Angeles, Honorable John Shepard Wiley Jr., presiding;
- *Nieves v. Ta Chen International, Inc.,* Case No. BC609005, California Superior Court, County of Los Angeles, Honorable Kenneth R. Freeman, presiding;
- *Mansilla v. Haeco Americas Line Services, LLC,* Case No. BC615310, California Superior Court, County of Los Angeles, Honorable Elihu M. Berle, presiding;
- *Rodriguez v. Mersen USA Oxnard-CA Inc.*, Case No. 56-2015-00471031-CU-OE-VTA, California Superior Court County of Ventura, Honorable Kent M. Kellegrew, presiding;
- *Khosravi v. Enterprise Rent-A-Car Company of Los Angeles, LLC*, Case No. 30-2016-00829923-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Thierry Patrick Colaw presiding;
- *De Loera v. Pharmaceutic Litho & Label Company, Inc.*, Case No. 56-2016-00479931-CU-OE-VTA, Superior Court of California, County of Ventura, Honorable Kent M. Kellegrew presiding;
- *Ortiz v. Endologix, Inc.* Case No. 30-2016-00873893-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding;
- *Delgado v. Pacific Coast Cabling, Inc.,* Case No. BC600419, Superior Court of California, County of Los Angeles, Honorable Carolyn B. Kuhl presiding;
- *Valsabel v. Vintage Tile & Stone, Inc.,* Case No. 30-2016-00848602-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding;
- *Ramos v. Da/Pro Rubber, Inc.,* Case No. BC621297, Superior Court of California, County of Los Angeles, Honorable William F. Highberger presiding;
- *Lopez v. Bornt & Sons, Inc.,* Case No. ECU09820, Superior Court of California, County of Imperial, Honorable Jeffrey B. Jones presiding;

- *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding;
- *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*, Case No. 30-2016-00883282-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding;
- *Ayala, et al., v. Dearden's*, Case No. BC679750, Superior Court of California, County of Los Angeles, Honorable Elihu M. Berle presiding;
- *Becerra v. All Valley Washer Service, Inc.*, Case No. BC663448, Superior Court of California, County of Los Angeles, Honorable Amy D. Hogue presiding;
- *Song, et al. v. Blendtec, Inc.*, Case No. STK-CV-VOE-2016-6272, Superior Court of California, County of San Joaquin, Honorable Roger Ross presiding;
- *Zinnerman v. Tumbleweed Educational Enterprises, Inc.*, Case No. BC673708, Superior Court of California, County of Los Angeles, Honorable Maren E. Nelson presiding;
- *Chairez v. B.E. McCarty, Inc.,* Case No. 56-2017-00503353-CU-OE-VTA, Superior Court of California, County of Ventura, Honorable Vincent O'Neill presiding;
- *Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No. BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding (approving an hourly rate of $400 for work performed in 2018 and 2019);
- *Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of $425 for work performed in 2018, 2019, and 2020);
- *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly rate of $425 for work performed from 2017-2020);

- *Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed in 2019 and 2020);
- *Fishback v. J.D. Miller Construction Inc.*, Case No. CIVDS1906611, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed from 2019-2021);
- *Teeba v. Brill, Inc.*, Case No. CIVDS1923242, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed from 2019-2021);
- *Gonzalez v. Precision Hospitality & Development, LLC*, Case No. 30-2020-01127597-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of $450 for work performed in 2020 and 2021);
- *Vides v. Celoseal Roofing, Inc.*, Case No. 30-2020-01162478-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of $475 for work performed from 2020-2022);
- *Qawas v. Socal Framing, Inc.*, Case No. RIC1902588, Riverside County Superior Court, Honorable Sunshine S. Sykes, presiding (approving an hourly rate of $475 for work performed from 2019-2022);
- *Nelson v. Santini Foods, Inc.*, Case No. RG21090890, Alameda County Superior Court, Honorable Evelio Grillo, presiding (approving an hourly rate of $475 for work performed in 2021 and 2022);
- *Zuniga v. Sonar Inc.,* Case No. 30-2019-01117310-CU-OE-CXC, Orange County Superior Court, Honorable Peter Wilson, presiding (approving an hourly rate of $575 for work performed from 2019-2023); and
- *Gonzalez v. Guardian Industries LLC*, Case No. 19CECG02134, Fresno County Superior Court, Honorable Jonathan M. Skiles, presiding (approving an hourly rate of $575 for work performed from 2019-2023).

- *Sanchez v. Dutton Home Services, LLC*, Case No. 22STCV01834, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of $575 for work performed from 2022-2023).
- *Ramirez v. Wyndham Vacation Ownership, Inc.,* Case No. 20CV01715, Santa Barbara County Superior Court, Honorable James F. Rigali, presiding (approving an hourly rate of $650 for work performed from 2020-2024).

5. I have also been named as Class Counsel for the certified class following a contested class certification motion in the following case:

- *Staublein v. Wells Fargo Bank, National Association,* Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class).

6. In March 2023, I served as trial counsel for the plaintiff and the aggrieved employees in the matter of *Abraham Taduran v. James R. Glidewell, Dental Ceramics, Inc. dba Glidewell Laboratories*, Case No. 30-2017-00934037-CU-OE-CXC, Orange County Superior Court, Honorable William Claster presiding, which was a case brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq*., that resulted in a six-figure verdict in favor of the aggrieved employees.

7. In addition to the above cases, I also play a significant role in many of my firm's current wage and hour class actions. The scope of my involvement includes but is not limited to: corresponding with opposing counsel; attending court hearings; drafting and responding to written discovery; preparing for and defending depositions; negotiating and drafting long-form settlement agreements; attending mediations; and drafting motions for preliminary and final approval.

8. Between 2020 and 2025, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Stars Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in Southern California each year.

9. As counsel for Plaintiff, I have been closely involved in all aspects of this litigation since its inception. I played an integral part in the negotiation and resolution of the claims at issue in this lawsuit. I believe this Settlement is a reasonable compromise of said claims and now apply for approval of the Settlement with this Court. The Stipulation of Settlement ("Settlement Agreement") is attached hereto as **Exhibit A**. The Notice of Class Action Settlement, which includes the Notice of Settlement Payment and the Request for Exclusion and Objection forms, is attached hereto as **Exhibit B**. Plaintiff's prefiling letter to the LWDA dated September 3, 2024 is attached hereto as **Exhibit C**.

10. Defendants Hidden Valley Investments, Inc. dba Quality Chevrolet and L&L Investments, Inc. dba Quality Chevrolet ("Defendants") are an automotive dealership headquartered in Escondido, California, engaged in the sale and service of new and used vehicles. Defendants employed Plaintiff as a non-exempt lube technician from approximately January 2, 2024, until approximately December 2024. Plaintiff's job duties included tire rotations, inspections, oil changes, and other routine vehicle repairs. Like all Settlement Class Members, Plaintiff was employed by Defendants during the Class Period and was subject to Defendants' allegedly unlawful wage and hour policies and practices.

11. On September 3, 2024, Plaintiff initiated the instant action against Defendants, alleging 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) failure to reimburse necessary business expenditures; (6) wage statement violations; and (7) unfair competition. On November 8, 2024, Plaintiff filed the operative First Amended Complaint, adding a cause of action for civil penalties under the PAGA (Labor Code § 2698, *et seq.*) based on the same underlying Labor Code violations.

12. After the lawsuit was filed, Defendants produced an arbitration agreement signed by Plaintiff and represented that all putative class members executed similar agreements during onboarding.

13. Plaintiff alleges that Defendants' timekeeping policies and practices resulted in Defendants failing to pay Plaintiff and other non-exempt employees for all hours worked and all

time they were subject to Defendants' control. Specifically, Plaintiff and other non-exempt employees were required to don and doff protective gear, such as gloves, and wash their hands ***after*** clocking out for meal periods and at the end of their shifts. Plaintiff further alleges that employees were routinely required to skip or interrupt their meal periods to perform work duties. As a result of Defendants' failure to pay for off-the-clock work, Defendants failed to pay Plaintiff and other non-exempt employees all minimum and overtime wages earned. Plaintiff's allegations of unpaid wages arising from off-the-clock handwashing and work performed during meal periods could not be substantiated beyond limited anecdotal accounts. Defendants had no written policies requiring employees to perform such tasks off the clock and, instead, maintained written policies expressly prohibiting off-the-clock work. Given the infrequency and minimal duration of the alleged unpaid time, this claim contributed only a nominal amount to the overall value of the Settlement.

14. Defendants contend they maintained lawful timekeeping policies and that their policy required employees to don and doff protective gear and wash their hands while on the clock. Defendants further assert that they did not pressure employees to interrupt or work through their meal periods.

15. Plaintiff also alleges that Defendants paid Plaintiff and other non-exempt employees non-discretionary bonuses. However, Plaintiff asserts that Defendants failed to include the value of these bonuses when calculating employees' regular rates of pay. As a result, Plaintiff alleges that Defendants failed to accurately pay Plaintiff and other non-exempt employees all overtime wages owed. Plaintiff's expert determined that Settlement Class Members were underpaid approximately $145,788 due to this regular rate miscalculation.

16. Defendants argue that any bonus payments made were purely discretionary and were therefore properly excluded from the regular rate of pay. Defendants argue that determining whether each bonus was discretionary or non-discretionary requires individualized evidence regarding the circumstances and intent underlying each payment. Those determinations depend on employee-specific facts rather than a uniform policy, causing the claim to devolve into numerous mini-trials and rendering it unmanageable. Plaintiff therefore applied a 80% discount

for the risk of non-certification and an additional 10% discount for the risk of not prevailing on the merits or failing to establish damages, resulting in a projected recovery of approximately $26,242.

17. Plaintiff contends that Defendants regularly failed to provide employees with all timely, duty-free, uninterrupted 30-minute meal periods to which they were entitled. Specifically, Plaintiff and other non-exempt employees were required to remove gloves and wash their hands off the clock during purported meal periods, resulting in meal periods shorter than 30 minutes. Plaintiff and other non-exempt employees were also interrupted during their meal periods to perform work duties, such as assisting customers, and were required to delay meal periods due to similar work demands. Defendants also failed to provide second meal periods when employees worked shifts in excess of 10 hours. Despite these unlawful policies and practices, Defendants failed to pay Plaintiff and other non-exempt employees one additional hour of premium pay for each workday in which a meal period violation occurred. Defendants' timekeeping records produced for mediation reflect that 14.7% of all shifts over six hours, totaling 5,136 shifts, included a first meal period that began after the end of the fifth hour of work (3,111 shifts), were shorter than 30 minutes (442 shifts), or were not recorded at all (1,583 shifts). In addition to these facial first meal period violations, Plaintiff's expert identified 348 shifts exceeding 10 hours without a second recorded 30-minute meal period. Based on these figures, and without double-counting shifts that included both first and second meal period violations, Defendants' estimated exposure for meal period violations is $163,629 (5,258 unique meal period violations x $31.12 average premium).

18. Defendants contend they maintained lawful meal period policies and practices throughout the Class Period. To the extent Defendants' records reflect any apparent meal period violations, Defendants assert that such instances resulted from employee choice rather than from any policy or practice preventing employees from taking compliant meal periods. Defendants further maintain that, to the extent a rebuttable presumption of noncompliance arises, they would rebut that presumption by showing that any missed, short, or delayed meal periods resulted from employee-specific circumstances rather than from any uniform policy. Defendants also contend

that this claim would require individual inquiries to assess whether employees were actually provided a meal break on a given day along with the reason they chose to take it or not take it. Given these potential defenses, Plaintiff discounted the maximum exposure by 80% for the risk of non-certification and by 25% for the risk of being unsuccessful on the merits, resulting in an estimated exposure of $24,544.

19. Similar to meal periods, Plaintiff contends that Defendants failed to authorize and permit employees to take all required rest periods to which they were entitled. Specifically, Plaintiff asserts that, due to work demands, Defendants failed to authorize and permit rest periods throughout the workday. Plaintiff further alleges that even when rest periods were taken, Plaintiff and other non-exempt employees were frequently interrupted. Plaintiff also alleges that Defendants failed to pay any rest period premiums, an issue that is itself certifiable. Plaintiff's expert's data analysis revealed that non-exempt employees worked an aggregate total of 37,806 shifts in excess of 3.5 hours during the Class Period. Based on Plaintiff's testimony, the nature of the work performed, and the customer-service demands of the dealership environment, where employees were expected to service vehicles promptly and could not leave customers waiting, Plaintiff estimates that rest period violations occurred on approximately 50% of those shifts. Accordingly, Plaintiff calculated Defendants' potential exposure on this claim at $588,261 (37,806 rest period violations x 0.5 x $31.12 average premium).

20. Defendants contend that they maintained a facially compliant written rest period policy throughout the Class Period, consistently authorized and permitted rest periods in accordance with that policy, and did not impede employees' ability to take them. Defendants further argue that Plaintiff's rest period claim is not suitable for class certification because, unlike meal periods, rest periods are not recorded, and no common proof exists to show whether employees were denied compliant rest periods. Therefore, Plaintiff discounted the maximum exposure by 80% for the risk of non-certification, and by an additional 50% for risk of losing on the merits, to arrive at an estimated exposure of $58,826.

21. Plaintiff alleges that Defendants failed to reimburse employees for using their personal cellular phones and tools to perform essential job duties, including communicating with

supervisors throughout the workday. Plaintiff estimates that a reasonable portion of the average monthly cell phone bill attributable to work use is approximately $25.00. Plaintiff therefore calculated Defendants' maximum liability for unreimbursed business expenses as $49,400 ($25.00 monthly reimbursement x 8,556 weeks ÷ 4.33 weeks per month).

22. Defendants assert that employees were not required to use personal cell phones for work purposes and that any such use occurred voluntarily, as most communication took place in person. Defendants also maintain that this claim is not suitable for class certification because it would require a series of mini-trials to determine which employees incurred expenses and whether those expenses were reasonable and necessary. Plaintiff therefore applied a 80% discount for the risk of non-certification and an additional 50% discount for the risk of not prevailing on the merits or failing to establish damages, resulting in a projected recovery of approximately $4,940.

23. As a result of these alleged substantive violations, Plaintiff contends that Defendants are liable for derivative wage statement, waiting time, and PAGA civil penalties. Defendants argue that the alleged wage statement violations were not "knowing and intentional" and that Plaintiff cannot show he "suffer[ed] injury," as required by Labor Code § 226(e) for the imposition of penalties. Defendants further contend that they possess strong, good-faith defenses to Plaintiff's underlying claims, precluding recovery of waiting time penalties, which are available only for the "willful" failure to pay wages. Defendants also maintain that, given their good-faith defenses, this Court would exercise its discretion to substantially reduce any PAGA penalties if it found Defendants liable for any of Plaintiff's underlying claims.

24. Based on the data provided by Defendants, 162 employees received 8,556 wage statements during the time period associated with wage statement penalties. Keeping in mind the $4,000 cap on wage statement penalties, Plaintiff's expert calculated the exact wage statement penalty owed at $361,400. Defendants contend that Plaintiff will not be able to show actual injury as required by Labor Code § 226(e) and that any inadvertent wage statement violations stemming from the alleged failure to pay wages were not knowing and intentional. Given these potential defenses, Plaintiff discounted the maximum exposure by 80% for the risk of non-certification and by 25% for the risk of being unsuccessful on the merits, resulting in an estimated exposure of

$54,210.

25. Based on the data provided by Defendants, 72 employees separated their employment with Defendants during time period associated with waiting time penalties. Plaintiff's expert calculated the exact waiting time penalty owed at $518,132. Defendants contend they attempted to pay employees all final wages owed in good faith upon their separation, thereby precluding a finding of willfulness, which is necessary to obtain waiting time penalties under 8 Cal. Code Regs. § 13520. Given these potential defenses, Plaintiff discounted the maximum exposure by 80% for the risk of non-certification and by 25% for the risk of being unsuccessful on the merits, resulting in an estimated exposure of $77,720.

26. Assuming that Plaintiff could prove at least one underlying Labor Code violation in each pay period within the PAGA Period, Plaintiff calculates Defendants' maximum PAGA exposure at $452,600 (4,526 pay periods at $100 per violation). Plaintiff applied an 80% discount to account for the Court's discretion to reduce penalties, resulting in a projected recovery of approximately $90,520.

27. Using these estimated figures for each of the claims described above, Plaintiff estimates that the potential recovery for the Settlement Class would be approximately $337,002. The Gross Settlement Amount of $270,000 represents approximately 80.12% of Plaintiff's estimated potential recovery and avoids the additional expense and risk of proceeding to class certification and trial.

28. In connection with mediation, Defendants provided Plaintiff with electronic timekeeping and payroll records for all Settlement Class Members covering the entire Class Period, along with key policy documents and relevant data points. Plaintiff then retained an expert to analyze the data and conduct a comprehensive, class-wide analysis to develop an exposure model for the claims at issue. On July 28, 2025, the Parties participated in a mediation session with mediator Tagore Subramaniam, Esq., during which they exchanged divergent views regarding Defendants' liability, potential exposure, and the likelihood of class certification. The Parties also considered the substantial litigation risk that, if the case did not resolve, Defendants would move to compel arbitration based on agreements signed by Plaintiff and other putative

class members, which could have prevented adjudication of the claims on a classwide basis. At the conclusion of the session, Mr. Subramaniam issued a mediator's proposal, which the Parties ultimately accepted.

29. Plaintiff provided the LWDA with the Settlement Agreement along with all moving papers associated with this Motion. A true and correct copy of the LWDA's Submission Confirmation is attached hereto as **Exhibit D**.

30. Based on the records produced prior to mediation, there are approximately 162 potential Settlement Class Members who will receive an average Individual Settlement Share of $669.81. There are approximately 162 PAGA Members who will receive approximately $43.21 for their share of PAGA civil penalties. Settlement Class Members can be easily identified using Defendants' employment and payroll records.

31. At the time of seeking final settlement approval, Plaintiff will apply for a Class Representative Enhancement Payment in the amount of $10,000.00 to compensate Plaintiff for the significant time and effort he expended in service to the Settlement Class. Throughout the pendency of this lawsuit, Plaintiff searched for relevant documents, provided factual information to Class Counsel, participated in various phone calls with Class Counsel to discuss the claims in the lawsuit and Defendants' policies and practices, assisted Class Counsel in their preparation for mediation and made himself available during mediation to answer factual questions posed by opposing counsel and the mediator. Plaintiff estimates he spent at least 25 hours in total on tasks that ultimately led to the Settlement. Plaintiff also undertook significant risks by serving as the named Plaintiff in this matter as his name is now tied to a lawsuit against a former employer.

32. My firm will also apply for an attorneys' fee award of $94,500.00 (35% of the Gross Settlement Amount), and up to $30,000.00 in verified costs. My firm incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiff's claims, conducting legal research and analysis, engaging in substantial informal written discovery, reviewing class documents and data produced by Defendants, retaining an expert to build a comprehensive damages model, preparing for and attending mediation, negotiating and drafting the long-form Settlement Agreement and Notice Packet documents, preparing this Motion for Preliminary

Approval, and otherwise litigating the case. My firm will also expend future attorney time attending the hearing on this Motion, overseeing the Notice process, drafting the Final Approval Motion and supporting documents, attending the Final Approval hearing, and completing other tasks such as fielding questions from Settlement Class Members.

33. My firm carefully vetted the claims at issue, reviewed Settlement Class Member timekeeping and payroll data spanning the entire Class Period, examined relevant policy documents, engaged in substantial informal discovery, and created a comprehensive damages model for Defendants' classwide liability with the help of Plaintiff's retained expert.

34. Although the Parties participated in an informal exchange prior to mediation, the Parties had not yet completed their discovery efforts. Absent settlement, the Parties will be required to expend substantial time and resources completing formal discovery in advance of class certification, summary adjudication or judgment, and trial. Moreover, Plaintiff had not yet filed a motion for class certification, and before such a motion could be heard, the Court would first need to address Defendants' anticipated motion to compel arbitration based on agreements signed by Plaintiff and other putative class members. If granted, such a motion would have precluded class certification entirely and required Plaintiff to pursue his claims in individual arbitration. Even if Plaintiff prevailed on that issue and succeeded in certifying one or more classes, the Parties would still face the prospect of decertification motions, trial, and appeals, resulting in significant additional attorneys' fees and costs. No class has been certified in this matter. Had the Court certified any claims, Plaintiff anticipated that Defendants would seek decertification.

35. Plaintiff proposes that the settlement be administered by Apex Class Action Administration ("Apex"), an experienced class action settlement administrator. The Parties propose posting the final judgment on the Settlement Administrator's website. The URL will be included with Class Member's Individual Settlement Payments. I confirm that I am not affiliated with the proposed settlement administrator, Apex. I am also not aware of any class, representative or other collective action pending in any other court that asserts claims similar to those asserted in this action.

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I declare under penalty of perjury under the laws of California and the United States that the foregoing is true and correct. Executed on October 22, 2025, at El Segundo, California.

Andrew J. Rowbotham

EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement") is reached by and between Plaintiff Brian Loza (hereinafter "Plaintiff"), individually and on behalf of all Class Members (defined below) and PAGA Members (defined below), on the one hand, and Hidden Valley Investments, Inc. dba Quality Chevrolet and L&L Investments, Inc. dba Quality Chevrolet, and their past, present, and future predecessors, successors, officers, directors, employees and agents, (collectively, "Defendants"), on the other hand. Plaintiff and Defendants are referred to herein collectively as the "Parties." This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, the State of California as to the employment of PAGA Members (as defined herein), and Defendants, subject to the terms and conditions hereof and the approval of the Court.

Plaintiff and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, Andrew J. Rowbotham, and Aden M. Khachadoorian of Haines Law Group, APC ("Class Counsel"). Defendants are represented by Christine Baran and Kyley Murer of Fisher & Phillips LLP.

On September 3, 2024, Plaintiff filed a wage and hour class action complaint in San Diego County Superior Court in the matter entitled *Brian Loza, as an individual and on behalf of all others similarly situated, v. Hidden Valley Investments, Inc., dba Quality Chevrolet and Quality Chevrolet Commercial Truck, a California corporation; and DOES 1 through 100,* San Diego Superior Court Case No. 24CU009062C (the "Action").

On September 3, 2024, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") by online submission and to Defendants by U.S. Certified Mail pursuant to California Labor Code Section 2699.3 of the specific provisions of the California Labor Code alleged to have been violated by Defendants, LWDA-CM-1048779-24 ("PAGA Notice").

On November 8, 2024, Plaintiff filed an amended complaint in the Action, adding a cause for Violation of the California Private Attorneys General Act of 2004 (PAGA) pursuant to California Labor Code § 2698 *et seq.*, (the "FAC") which alleges civil penalties against Defendants under the PAGA.

Defendants deny all material allegations set forth in the Action, the FAC and PAGA Notice and have asserted numerous affirmative defenses. Specifically, Defendants contend that Class Members are subject to enforceable individual written arbitration agreements with Defendants that contain valid class action waivers. Defendants are neither currently, nor in the future, waiving or releasing their rights to enforce those individual arbitration agreements and/or class waivers. Nor will Defendants be estopped from asserting their rights to enforce those individual arbitration agreements and/or class waivers in future litigation or in claims by or against Class Members and/or PAGA Members, and nothing in this Settlement is intended to constitute a waiver, release, or estoppel to assert those contractual rights, which shall remain in full force and legal effect. Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally settle the Action and FAC, the Released Class Claims (as defined herein), and the Released PAGA Claims (as defined herein).

Class Counsel diligently investigated the class and PAGA claims against Defendants, including any and all applicable defenses and the applicable law. The investigation included, *inter* *alia*, the exchange of information, data, and documents, and review of corporate policies and practices. The Parties have engaged in sufficient informal discovery and investigation to assess the relative merits of the claims and contentions of the Parties.

On July 28, 2025, the Parties attended a private mediation with Tagore Subramaniam, Esq., a respected mediator of complex wage and hour actions and reached a class-wide settlement which resolves the Action, the FAC, and claims made in the PAGA Notice, subject to court approval. The Parties' settlement discussions were conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of Defendants' potential liability and exposure in relation to the costs and risks associated with continued litigation as well as defenses available to Defendants including existing arbitration agreements. Based on Class Counsel's investigation and evaluation, Class Counsel believes that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of California, and PAGA Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendants.

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:

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

1. **"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 hourly-paid and/or non-exempt employees as well as those individuals who fall under the salesperson exemptions, who worked for Defendants in the State of California at any time from September 3, 2023, through September 26, 2025. This period of time will be referred to as the "Class Period".

2. **"Class Action Settlement"** means the settlement and resolution of all Released Class Claims.

3. **"Class List"** means a complete list of all Class Members that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number or date of birth; (4) dates worked for Defendants during the Class Period and PAGA Period; and (5) such other information as is necessary for the Settlement Administrator to calculate Workweeks of the Class and PAGA Members.

4. **"Class Notice"** means the Notice of Class Action Settlement, substantially in the form attached hereto as "**Exhibit A**."

5. **"Effective Date"** means the date when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendants' Counsel; (2) the Court has granted preliminary approval of the Settlement; (3) the Class Notice has been mailed to Class Members, providing them an opportunity to object to the terms of the Class Settlement or opt out of the Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment; and either: (a) no objections to the Settlement were filed prior to the Final Approval Hearing or made at the Final Approval Hearing, in which case the Effective Date shall be the date the Court enters the Final Approval Order and Judgment; or (b) any objections to the Settlement were filed or made at the Final Approval Hearing, in which case the Effective Date shall be the later of: (i) five (5) business days after the deadline to file any appeal, writ, or other appellate challenge to the Final Approval Order and Judgment has passed without any such filing; or (ii) five (5) business days after any such appellate proceeding has been finally resolved or dismissed with no further right to seek review.

6. **"Enhancement Payment"** means the amount to be paid to Plaintiff, in recognition of his efforts and work in prosecuting the Action on behalf of Class Members and PAGA Members in exchange for a general release of claims.

7. **"Final Approval"** means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

8. **"Final Approval Hearing"** means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

9. **"Final Approval Order and Judgment"** means the order granting final approval of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

10. **"Gross Settlement Amount"** means the amount of Two-Hundred Seventy Thousand Dollars and Zero Cents ($270,000.00) to be paid by Defendants in full satisfaction of the Action, the FAC, the Released Class Claims, and the Released PAGA Claims, which includes all Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount (the "NSA") to be paid to the Settlement Class Members. Defendants shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendants.

11. **"Individual PAGA Payment"** means the *pro rata* share that a PAGA Member may be eligible to receive under the PAGA portion of the Settlement.

12. **"Individual Settlement Payment"** means the net payment of each Participating Settlement Class Member's Individual Settlement Share, after reduction for the employee's share of taxes and withholdings with respect to the wage portion of the Individual Settlement Share.

13. **"Individual Settlement Share"** means the *pro rata* share of the Net Settlement Amount that a Settlement Class Member may be eligible to receive under the Class Settlement.

14. **"Net Settlement Amount"** means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, and Settlement Administration Costs.

15. **"PAGA Members"** means all current and former hourly-paid and/or non-exempt employees as well as those individuals who fall under the salesperson exemptions who worked for Defendants in the State of California at any time from September 3, 2023, through September 26, 2025. This period of time will be referred to as the "PAGA Period".

16. **"PAGA Settlement"** means the settlement and resolution of all Released PAGA Claims.

17. **"Preliminary Approval"** means the date on which the Court enters the Preliminary Approval Order.

18. **"Preliminary Approval Order"** means the order granting preliminary approval of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

19. **"Released Class Claims"** means upon the Effective Date and payment of the Gross Settlement Amount to the selected settlement administrator, Defendants and all of their past, present, and future predecessors, successors, officers, directors, employees and agents, shall be entitled to a release from the Class Members who do not opt-out of the class settlement ("Participating Class Members"), for the duration of the Class Period, of the following: Any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which were alleged or which could have reasonably been alleged based on the factual allegations in the Action, and the FAC under any federal, state, or local law, and shall specifically include claims for Defendant's alleged failure to pay overtime wages; failure to pay overtime wages at the regular rate of pay; failure to pay minimum wages; any claims for additional wages owed due to "off the clock" work; rounding and/or any other theory alleged in the Action; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to provide sick pay; waiting time penalties; failure to pay timely wages during employment; wage statement violations; failure to keep and maintain accurate payroll records; failure to reimburse expenses; violations of California Labor Code §§ 96, 98.6, 200, 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 227.3, 432, 510, 512, 516, 558, 1174(d), 1182.12, 1194, 1194(a), 1194.2(a), 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, and 2804, and the applicable Industrial Welfare Commission Wage Order and/or claims for attorneys' fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289. The Parties agree to take all necessary steps to make sure that a release covering all of the foregoing claims is approved by the Court, including if necessary and requested by the court amending the complaint.

20. **"Released PAGA Claims"** means that upon the Effective Date and payment of the GSA to the selected settlement administrator, Defendants and all of their past, present, and future predecessors, successors, officers, directors, employees and agents, shall be entitled to a release from the Aggrieved Employees (including Plaintiff and from the State of California to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA Period) for the duration of the PAGA Period, of the following: Any and all PAGA claims and/or causes of action which were alleged or could have been alleged based on the factual allegations in the PAGA Notice, the Action and FAC, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq*., including all claims for attorneys' fees and costs related thereto, for Defendant's alleged failure to pay overtime wages; failure to pay overtime wages at the regular rate of pay; failure to pay minimum wages; any claims for additional wages owed due to "off the clock" work; rounding and/or any other theory alleged in the Action; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to provide sick pay; waiting time penalties; failure to pay timely wages during employment; wage statement violations; failure to keep and maintain accurate payroll records; failure to reimburse expenses; violations of California Labor Code §§ 96, 98.6, 200, 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 227.3, 432, 510, 512, 516, 558, 1174(d), 1182.12, 1194, 1194(a), 1194.2(a), 1197, 1197.1, 1198, 1198.5, 1199, 2699, 2800, 2802, and 2804, and the applicable Industrial Welfare Commission Wage Order and/or claims for attorneys' fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289. The Parties agree to take all necessary steps to make sure that a release covering all of the foregoing claims is approved by the Court, including if necessary and requested by the court amending the complaint.

21. **"Released Parties"** means Defendants and all of their past, present, and future predecessors, successors, officers, directors, employees and agents.

22. **"Settlement Administrator"** means Apex Class Action Administration, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering the Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

23. **"Settlement Administration Costs"** means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering the Settlement.

24. **"Settlement Class" or "Settlement Class Member(s)"** means all Class Members who do not submit a timely and valid Request for Exclusion.

25. **"Workweeks"** means the number of weeks each Class Member worked for Defendants as an hourly-paid and/or non-exempt employee as well as those individuals who fall under the salesperson exemptions, in California during the Class Period, which will be calculated by the Settlement Administrator. Workweeks will be calculated by the Settlement Administrator based on each Class Member's start date or the beginning of the Class Period, whichever is later, and separation date or the last day of the Class Period, whichever is earlier, based on the Class List provided by Defendants.

CLASS CERTIFICATION

26. 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, or 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.

TERMS OF THE AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

27. **Attorneys' Fees and Costs.** Defendants agree not to oppose or impede any application or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the Gross Settlement Amount, which is estimated to be $94,500.00 and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, the FAC and the PAGA Notice, in an amount not to exceed Thirty Thousand Dollars and Zero Cents ($30,000.00), both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, the FAC and the PAGA Notice, including without limitation all work performed and costs incurred to date, and all work to be performed and all 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 shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members. The Court's ruling on the request for Attorneys' Fees and Costs shall not affect the enforceability of this Agreement or the terms contained herein.

28. **Enhancement Payment.** Defendants agree not to oppose or impede any application or motion by Plaintiff for Enhancement Payment in the amount up to Ten Thousand Dollars and Zero Cents ($10,000.00) to Plaintiff in recognition of his contributions to the Action, the FAC and the PAGA Notice and his service to the Settlement Class. The Enhancement Payment, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to any other payments Plaintiff may be eligible to receive under the Settlement (e.g., his Individual Settlement Payment and/or Individual PAGA Payment). Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue IRS Forms 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment that is not awarded by the Court to

Plaintiff shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members. The Court's ruling on the request for the Enhancement Payment shall not affect the enforceability of this Agreement or the terms contained herein.

29. **PAGA Amount.** Subject to approval by the Court, the Parties agree that the amount of Twenty Thousand Dollars and Zero Cents ($20,000.00) shall be allocated from the Gross Settlement Amount toward penalties under the PAGA (i.e., the PAGA Amount), of which sixty-five percent (65%), or $13,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and thirty-five percent (35%), or $7,000.00, will be distributed to PAGA Members (i.e., the PAGA Member Amount) on a *pro rata* basis, based on the total number of pay periods worked by each PAGA Member during the PAGA Period (i.e., the Individual PAGA Payments). PAGA Members will be issued Individual PAGA Payments whether or not they object to or opt-out of the Class Settlement.

30. **Settlement Administration Costs.** The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently not to exceed $6,990.00. These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia,* translating the Class Notice into Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

31. **Escalator Clause.** Defendants represent that the Class Members worked approximately 9,134 applicable workweeks during the period of September 3, 2023, to July 28, 2025, the date of mediation. If it is determined that the total number of applicable workweeks worked by the Class Members through the Class Period exceeds 10,047 workweeks (i.e., more than 10% above the estimated 9,134 workweeks), then Defendants shall have the option to either: (a) include all applicable workweeks beyond the 10% threshold and increase the GSA by $29.56 per additional workweek above 10,047, which reflects the per-workweek allocation used to calculate the original GSA; or (b) designate the Class Period end date as the date on which the total number of applicable workweeks reaches, but does not exceed, 10,047. To avoid any uncertainty as to the Class Period end date, the Parties and/or the Settlement Administrator shall verify the total number of applicable workweeks and confirm the end date of the Class Period prior to the filing of the motion for preliminary approval. Plaintiff agrees not to file a Motion for Preliminary Approval prior to September 26, 2025 in order for the workweek calculations to be verified.

32. Class Members are not required to submit a claim form to receive a payment ("Settlement Payment") from the Settlement. After the Effective Date of this Settlement and upon full funding of the Gross Settlement Amount (within 60 days of the Effective Date), 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" or "NSA."

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

i. Individual Settlement Share and Individual Settlement Payment to Settlement Class Members: The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period. Specifically, each participating Settlement 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 Settlement Class Member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class Members during the Class Period.

ii. Individual PAGA Payment: In addition to the NSA, each PAGA Member (including those who submit a valid and timely Request for Exclusion from the Class Action Settlement) shall receive a portion of the Seven Thousand Dollars and Zero Cents ($7,000.00) 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 five (5) business days of the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the Settlement, including the amount of the employer contribution for payroll taxes to be paid by Defendants. Within 60 days of the Effective Date, Defendants will deposit the Gross Settlement Amount and employer's share of payroll taxes into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, that was established by the Settlement Administrator. 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.

D. For purposes of calculating applicable taxes and withholdings, each Settlement Payment shall be allocated as follows: any Individual PAGA Payment made from the PAGA Amount shall be treated as 100% penalties. Any Individual Settlement Payment made from the NSA 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 and PAGA 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. Unclaimed Individual Settlement Payments and/or Individual PAGA Payments. Individual Settlement Payment and/or Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Thereafter, checks for such payments shall be canceled and funds associated with such checks shall be sent to the California Controller's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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.

G. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel do not intend for anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff, Settlement Class Member or PAGA Member who receives a Settlement Payment are not relying on any statement or representation by the Parties in this regard. The Plaintiff, Class Members and PAGA Members who are receiving a Settlement Payment understand and agree that they will be responsible for the payment of any taxes and penalties assessed on their Settlement Payment and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of their Settlement Payment. Plaintiff, Settlement Class Members, and PAGA Members should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

33. **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, Fletcher W. Schmidt, Andrew J. Rowbotham, and Aden M. Khachadoorian of Haines Law Group, APC as Class Counsel;

C. Appointing Brian Loza as Class Representative for the Settlement Class;

D. Approving Apex Class Action Administration 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), attached hereto as Exhibits A, B, and C, respectively, and directing the mailing of same; and

G. Scheduling a Final Approval hearing.

34. **Notice of Settlement to the LWDA.** Pursuant to California Labor Code § 2699(s)(2), Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary approval of the Settlement.

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

A. Within thirty (30) calendar 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 or dates of birth, the dates of employment, and the number of workweeks and pay periods worked by each Class Member while employed during the Class Period and PAGA Period (the "Class Data"). Such information will only be disclosed to the Settlement Administrator and not to Class Counsel. All information provided to the Settlement Administrator will be marked CONFIDENTIAL. The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator. It shall be kept confidential and shall not be disclosed, either in writing or orally, by the Settlement Administrator. The Settlement Administrator shall use due care with respect to the storage, custody, use, and/or dissemination of the confidential information. Such information must be stored in a secure fashion and all persons who access the data must agree to keep it confidential.

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 via First-Class U.S. Mail, a Notice Packet to each Class Member in both English and Spanish at his or her last known address or at the updated address found through the NCOA search, and will retain proof of mailing.

C. Requests for Exclusion. Any Class Member who wishes to opt out of the Class 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 Class Settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion must: (1) contain the case name and number of the Action; (2) contain the name, address, and telephone number of the Class Member; (3) contain a statement that the Class Member wishes to be excluded from the Settlement; (4) be signed by the Class Member; and (5) 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)-(4), 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 Class Settlement 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 Class/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 and will be bound by the Released PAGA Claims. The Settlement Administrator will certify jointly to Class Counsel and Defendants' Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement.

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 case name and number of the Action; (2) 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; (3) include all objections and the factual and legal bases for same; (4) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (5) be postmarked no later than the Response Deadline. The Settlement Administrator will certify jointly to Class Counsel and Defendants' Counsel the number of Notices of Objection that are submitted (specifying which ones were timely and complete and which were not), and also attach them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the Final Approval Order and Judgment. If the Court overrules the objection and approves the Class Settlement, the Settlement Class Member will be bound by the terms of the Class Settlement in the same way and to the same extent as a Settlement Class Member who does not object.

E. Notice of Settlement Payment / Workweek Disputes. 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 records in order to calculate the Settlement Payment. Class Members will have the opportunity to dispute the number of workweeks to which they were credited as stated in the Notice Packet (Workweek Dispute) by submitting to the Settlement Administrator the following: (a) case name and number of the Action; (b) Class Member's full name, signature, address, telephone number, and the last four (4) digits of the Class Member's Social Security number; (c) a clear statement that the Class Member disputes the number of Workweeks credited to the Class Member and what the Class Member contends is the correct number including any supporting documentation; and (d) returning by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. If there is a Workweek Dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. Absent evidence rebutting the accuracy of Defendants' records and data as they pertain to the number of Workweeks to be credited to a disputing Class Member, Defendants' records will be presumed to be correct and determinative of the dispute. 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. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) calendar days of the mailing, the Class Member received the Notice Packet. 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 Defendants' counsel to provide notice of the proposed settlement.

G. Reports by the Settlement Administrator. The Settlement Administrator shall provide weekly reports to counsel for the Parties providing: (i) the number of undeliverable and re-mailed Class Notices; (ii) the number of Class Members who have submitted a Workweek Dispute; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will provide to counsel for the Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a Workweek Dispute.

36. **Defendants' Option to Revoke Settlement.**

A. Defendants shall retain the right, in the exercise of their sole discretion, to unilaterally withdraw from and terminate the Settlement if Class Members representing more than an aggregate total of ten percent (10%) of the verified workweeks submit valid and timely requests for exclusion from the Settlement. Defendants must exercise this option by providing written notice to Plaintiff's Counsel and the Settlement Administrator within ten (10) calendar days after the deadline for submitting requests for exclusion. In such an event, Defendants shall be solely responsible for all settlement administration costs incurred by the Settlement Administrator to date. In the event of Defendants' withdrawal, neither the fact that the Parties agreed to the Settlement nor any of its terms shall be admissible for any purpose in any further litigation or proceeding between the Parties.

B. In the event: (i) the Court does not ultimately enter the Preliminary Approval Order without requiring material changes to the Basic Settlement Terms (Basic Settlement Terms include the amount of the Gross Settlement Amount; the time period of the Released Class Claims; the covered Class Period and PAGA Period; revisions to the Escalator Clause; and revisions to Defendants' Option to Revoke Settlement as set forth herein (ii) the Court does not ultimately finally approve the Settlement as provided herein without requiring material changes to the Basic Settlement Terms (Basic Settlement Terms include the amount of the Gross Settlement Amount; the time period of the Released Class Claims; the covered Class Period; revisions to the Escalator Clause contained herein; and revisions to the Defendants' Option to Revoke Settlement as set forth herein); (iii) Defendants exercise their option to rescind the Settlement Agreement based on an excessive number of opt-outs, as described in the section above; or (iv) the Settlement does not become final for any other reason (*e.g.*, an objection by the LWDA), this Settlement Agreement shall be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Recitals and Terms of the Agreement contained herein shall be of no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties shall be returned to their respective statuses prior to the reaching of this Settlement, settlement funds placed in trust with the Settlement Administrator shall be returned to Defendants, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid evenly by the Parties, unless the Settlement is voided as a result of Defendants exercising their right to revoke, in which case Defendants shall bear all such costs. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

37. **Final Approval.** Following preliminary approval and the Effective Date of this Settlement Agreement as set forth above, 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 Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, LWDA payment, and settlement administration costs; and

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

38. **Class Settlement Release.** Upon the Effective Date of this Agreement and Defendants' deposit of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

39. **PAGA Settlement Release.** Upon the Effective Date of this Agreement and Defendants' deposit of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Members and all PAGA Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

40. **Plaintiff's General Release.** Upon the Effective Date of this Agreement and Defendants' deposit of the Gross Settlement Amount, in addition to the Released Class Claims and Released PAGA Claims, Plaintiff, for himself and his spouse, heirs and assigns, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all charges, complaints, claims, debts, liabilities, promises, agreements, controversies, actions, suits, rights, demands, obligations, guarantees, costs, losses, penalties,

expenses, attorneys' fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, or that might have been asserted, whether in tort, contract, equity, or otherwise which Plaintiff, at any time of execution of this Settlement Agreement, had or claimed to have or may have, including but not limited to any and all claims arising out of, relating to, or resulting from his employment, payment of wages during that employment, separation of employment, failure to hire with the Released Parties, including any claims arising under any federal, state, or local law, statute, ordinance, rule, or regulation or Executive Order relating to employment, including, but in no way limited to, any claim under Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), 42 U.S.C. § 1981; the Americans with Disabilities Act ("ADA"); the Family and Medical Leave Act ("FMLA"); the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act ("ERISA"); the California Family Rights Act ("CFRA"); the California Fair Employment and Housing Act ("FEHA"); all claims for wages or penalties under the Fair Labor Standards Act ("FLSA"); all claims for wages or penalties under the California Labor Code; Business and Professions Code sections 17200 *et seq.*; all laws relating to violation of public policy, retaliation, or interference with legal rights; any and all other employment or discrimination laws; whistleblower claims; any tort, fraud, or constitutional claims; and any breach of contract claims or claims of promissory estoppel. It is agreed that this is a general release and is to be broadly construed as a release of all claims, provided that, notwithstanding the foregoing, this Paragraph expressly does not include a release of any claims that cannot be released hereunder by law, including any claims for workers' compensation benefits (including but not limited to: EAMS ADJ19655431, ADJ19655433, ADJ19655432). Plaintiff understands and expressly agrees that this Settlement Agreement extends to claims that he has against Defendants, of whatever nature and kind, known or unknown, suspected or unsuspected, vested or contingent, past, present, or future, arising from or attributable to an incident or event, occurring in whole or in part, on or before the execution of this Settlement Agreement. Any and all rights granted under any state or federal law or regulation limiting the effect of this Settlement Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

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

41. **Waiver of Right to Appeal.** Provided that the Final Judgment is consistent with the terms and conditions of this Settlement Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

42. **Effect of PAGA Settlement.** As of the Effective Settlement Date, this settlement forever bars Plaintiff, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible PAGA Members during the PAGA Period, from pursuing any action

for civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in Plaintiff's letter to the LWDA, the Action and the FAC.

43. **Non-Admission of Liability; No Waiver of Arbitration Agreements.** The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendants do not admit, and specifically deny, they have violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Defendants contend that Class and PAGA Members are subject to enforceable individual written arbitration agreements with Defendants that contain valid class action waivers. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. Nor shall anything in this Settlement Agreement be construed or deemed an admission that the Action was properly brought as a class action pursuant to California Code of Civil Procedure section 382 and under California Business and Professions Code section 17200 and/or that the Action was properly brought as a Private Attorney General Action under PAGA. Nor shall anything in this Settlement Agreement or in the Preliminary Approval Order or Final Approval Order be deemed a waiver of Defendants' right to enforce applicable arbitration agreements. Defendants are neither currently, nor in the future, waiving or releasing their rights to enforce those individual arbitration agreements and class waivers. Nor will Defendants be estopped from asserting their rights to enforce those individual arbitration agreements and class waivers in future litigation or in claims by or against Class and PAGA Members, and that nothing in this Settlement is intended to constitute a waiver, release, or estoppel to assert those contractual rights, which shall remain in full force and legal effect.

44. **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 is 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.

45. **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.

46. **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 Defendants:	Christine Baran, Fisher & Phillips LLP 2050 Main Street, Suite 1000, Irvine, California 92614 cbaran@fisherphillips.com
if to Plaintiff:	Andrew J. Rowbotham, Haines Law Group, APC 2155 Campus Drive, Suite 180, El Segundo, California 90245 arowbotham@haineslawgroup.com.

47. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, representations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Nothing in this agreement shall supersede or waive Defendants' rights to enforce any applicable arbitration agreement executed by a Settlement Class Member or PAGA Member as set forth in Paragraph 43 above.

48. **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.

49. **Interim Stay of Proceedings**. The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

50. **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. The Court shall retain continuing jurisdiction over the Action and over all Parties, Class and PAGA 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.

51. **Enforcement Action.** 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 agreement or to declare rights and/or obligations under this agreement, 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.

PLAINTIFF

Dated: Sep 5, 2025

Brian Loza (Sep 5, 2025 12:41:30 PDT)

Brian Loza

DEFENDANTS

HIDDEN VALLEY INVESTMENTS, INC., DBA QUALITY CHEVROLET

Dated: SEPT 17TH 2025

Authorized Representative

L&L INVESTMENTS, INC., DBA QUALITY CHEVROLET

Dated: ___________________

Authorized Representative

APPROVED AS TO FORM:

DATED: September 19, 2025

FISHER & PHILLIPS LLP

By:___________________

Christine Baran

Attorneys for Defendants

DATED: Sep 5, 2025

HAINES LAW GROUP, APC

BY:___________________

Andrew J. Rowbotham

Attorneys for Plaintiff

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

BRIAN LOZA, as an individual and on behalf of all others similarly situated, Plaintiff, vs. HIDDEN VALLEY INVESTMENTS, INC., dba QUALITY CHEVROLET and QUALITY CHEVROLET COMMERCIAL TRUCK, a California Corporation, Defendants.	Case No. 24CU009062C **NOTICE OF CLASS ACTION SETTLEMENT**

To: All current and former hourly-paid and/or non-exempt employees as well as those individuals who fall under the salesperson exemptions, who worked for Defendants Hidden Valley Investments, Inc. dba Quality Chevrolet and L&L Investments, Inc. dba Quality Chevrolet ("Defendants") in the State of California at any time from September 3, 2023, through September 26, 2025 (the "Class Period")

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

You may be entitled to money from this Settlement. Defendants' records show you were employed as a non-exempt employee in California during 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.

This Notice describes the class and representative action lawsuit identified above ("Action"), informs you of the terms of the Settlement, explains your rights, and outlines how to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself and the Court grants final approval, you will be bound by the terms of the Settlement and any final judgment. Notice of the final judgment will be posted online at <<ADMIN WEBSITE URL>>.

What is this case about?

Plaintiff Brian Loza ("Plaintiff") brought this Action against Defendants, asserting claims on behalf of all Settlement Class Members. Plaintiff is the "Class Representative." Plaintiff's attorneys, who also represent all Settlement Class Members, are "Class Counsel."

In the Action, Plaintiff alleges that Defendants (1) failed to pay minimum wages, (2) failed to pay overtime wages, (3) failed to provide meal periods or compensation in lieu thereof, (4) failed to authorize and permit rest periods or provide compensation in lieu thereof, (5) failed to reimburse necessary business expenses, (6) failed to issue accurate itemized wage statements, (7) failed to timely pay all wages due or final wages due and consequent penalties; (8) failure to provide sick pay; (9) failure to keep and maintain accurate payroll records; (10) engaged in unfair competition, and (11) are liable for civil penalties under the Private Attorneys General Act ("PAGA").

Defendants deny wrongdoing and further deny that the Action is appropriate for class treatment other than for purposes of the Settlement. Defendants further deny owing Settlement Class Members any wages, restitution, penalties, or other damages. Nothing in this Class Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement mean that Defendants admit any fault, guilt, negligence, wrongdoing or liability whatsoever. In addition, Defendants contend that Class Members are subject to enforceable individual written arbitration agreements with Defendants that contain valid class action waivers. The Settlement is a compromise of disputed claims and is not an admission of liability by Defendants, who deny all liability.

The Court has not ruled on the merits of Plaintiff's claims. To avoid additional expense, inconvenience, and business disruption, the parties agreed that it is in their best interests to settle the Action on the terms described in this Notice. After Defendants provided relevant information to Class Counsel, the parties reached the Settlement through mediation and negotiations.

The Class Representative and Class Counsel support the Settlement. Reasons for their support include Defendants' potential defenses, the risk of denial of class certification, the risks of trial, and the delays and uncertainties of continued litigation.

<u>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 prohibit unlawful retaliation.</u> Defendants will not take adverse action, retaliate, or discriminate against any Settlement Class Member because of his or her decision to participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff and Settlement Class Members:

HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Andrew J. Rowbotham (SBN 301367)
arowbotham@haineslawgroup.com
Aden M. Khachadoorian (SBN 346908)
akhachadoorian@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Defendants:

FISHER & PHILLIPS LLP
Christian Baran (SBN 158603)
cbaran@fisherphillips.com
Kyley Murer (SBN 328476)
kmurer@fisherphillips.com
2050 Main Street Suite 1000
Irvine, California 92614
Tel: (213) 330-4500
Fax: (213) 330-4501

What are the terms of the Settlement?

On <<PRELIMINARY APPROVAL DATE>>, the Court preliminarily certified, for settlement purposes only, a class of all current and former hourly-paid and/or non-exempt employees as well as those individuals who fall under the salesperson exemptions, of Defendants in California who worked during the Class Period. Settlement Class Members who do not submit a valid and timely Request for Exclusion from 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 in the "Release" section.

Defendants agreed to pay $270,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action. This amount includes payments to Settlement Class Members, attorneys' fees and costs, settlement administration costs, payment to the California Labor and Workforce Development Agency ("LWDA") for its share of PAGA penalties, and the Class Representative's enhancement payment.

Defendants will fund the Gross Settlement Amount with the Settlement Administrator within sixty (60) calendar days after the Effective Date. The Effective Date is defined as when all of the following events have occurred: (1) the Settlement Agreement has been executed by all parties, Class Counsel, and Defendants' Counsel; (2) the Court has granted preliminary approval of the Settlement; (3) the Class Notice has been mailed to Class Members, providing them an opportunity to object to the terms of the Class Settlement or opt out of the Settlement; (4) the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment; and either: (a) no objections to the Settlement were filed prior to the Final Approval Hearing or made at the Final Approval Hearing, in which case the Effective Date shall be the date the Court enters the Final Approval Order and Judgment; or (b) any objections to the Settlement were filed or made at the Final Approval Hearing, in which case the Effective Date shall be the later of:

(i) five (5) business days after the deadline to file any appeal, writ, or other appellate challenge to the Final Approval Order and Judgment has passed without any such filing; or (ii) five (5) business days after any such appellate proceeding has been finally resolved or dismissed with no further right to seek review.

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

Settlement Administration Costs. The Court approved Apex Class Action Administration as the "Settlement Administrator" who is sending this Notice and will perform other duties related to the Settlement. The Court further approved up to $6,990.00 of the Gross Settlement Amount to be set aside to cover administration costs.

Attorneys' Fees and Costs. Class Counsel have prosecuted the Action on behalf of Settlement Class Members on a contingency basis, without payment to date, and have paid all litigation costs. The Court will determine the amount awarded as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class Members will not be personally responsible for any attorneys' fees or costs. Class Counsel will request fees of up to 35% of the Gross Settlement Amount (estimated at $94,500.00) as compensation for work performed and to be performed through finalization. They will also request reimbursement of up to $30,000.00 for verified litigation costs.

Class Representative's Enhancement Payment. Class Counsel will ask the Court to award $10,000.00 to Plaintiff as an enhancement payment for service and additional work performed on behalf of Settlement Class Members.

PAGA Payment to the State of California. The parties agreed to allocate $20,000.00 of the Gross Settlement Amount to PAGA penalties. Under Labor Code § 2699(m), 65% ($13,000.00) will be paid to the LWDA and 35% ($7,000.00) to individuals with PAGA standing ("PAGA Members") as part of the Net Settlement Amount.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts, the remaining balance of the Gross Settlement Amount will form the Net Settlement Amount. The Net Settlement Amount will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount is estimated at approximately $108,510.00.

The Net Settlement Amount will be distributed as follows:

(i) The 35% share of PAGA penalties ($7,000.00) will be distributed to PAGA Members in proportion to the number of pay periods he or she worked for Defendants in California at any time from September 3, 2023, through September 26, 2025 (the "PAGA Period"), compared to the total pay periods worked by all PAGA Members during the PAGA Period.

(ii) The remainder of the Net Settlement Amount will be distributed to participating Settlement Class Members based on their proportionate workweeks during the Class Period. Each share will be calculated by multiplying the remaining Net Settlement Amount by a fraction, with the numerator being the Settlement Class Member's total workweeks and the denominator being the total workweeks of all participating Settlement Class Members during the Class Period.

Individual Settlement Payments to Settlement Class Members. If the Court grants final approval, Individual Settlement Payments will be mailed to Settlement Class Members who did not submit a valid and timely Request for Exclusion. Each Settlement Class Member must cash the settlement check within 180 days of mailing. Funds from uncashed checks after 180 days will be transmitted by the Settlement Administrator to the California State Controller's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA Member.

Allocation and Taxes. Each Individual Settlement Payment will be allocated as eighty percent (80%) penalties and interest and twenty percent (20%) wages. The Settlement Administrator will issue an IRS Form 1099 for the penalties and interest portion and an IRS Form W-2 for the wages portion. Payments to PAGA Members will be allocated entirely (100%) to penalties and reported on IRS Form 1099. The Settlement Administrator will calculate and withhold all employee-share employment taxes and other required withholdings from the wages portion.

Release. If the Court approves the Settlement, Plaintiff and each Settlement Class Member who has not submitted a timely and valid Request for Exclusion will fully release and discharge Defendants, and all of their past, present, and future predecessors, successors, officers, directors, employees and agents (collectively "Released Parties") from all claims and allegations made in the operative complaint in the Action or Plaintiff's letter to the LWDA dated September 3, 2024, or which could have been pled based on the factual allegations therein, that arose during the Class Period (collectively the "Released Claims"). The period of the Released Claims will mirror the Class Period.

Plaintiff and PAGA Members, regardless of whether they opt-out of the Settlement as Class Members, will release and forever discharge Defendants and the Released Parties from all PAGA claims (Labor Code § 2698 *et seq*.) and consequent civil penalties that are based on the Labor Code violations made in the operative complaint in the Action or Plaintiff's letter to the LWDA dated September 3, 2024, or which could have been pled based on the factual allegations therein, that arose during the PAGA Period (the "PAGA Release"). PAGA Members will not be provided with the opportunity to opt out of this PAGA Release. The period of the PAGA Release will mirror the PAGA Period.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will receive your Individual Settlement Payment, which has been calculated for you under the formula described above and is shown in the accompanying Notice of Settlement Payment. You will also be bound by the Settlement, including the release of claims described above.

What other options do I have?

Dispute Information in Notice of Settlement Payment. Your estimated payment is based on the proportionate number of workweeks and pay periods you worked for Defendants during the Class Period and PAGA Period. Defendants' records, along with your estimated Individual Settlement Payment, are listed in the accompanying Notice of Settlement Payment. If you disagree with this information, you may submit a written dispute with supporting documentation in accordance with the procedures described in the Notice. Disputes 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 KEPT.**

The parties and the Settlement Administrator will review all timely submitted disputes and supporting documentation and will make good faith efforts to resolve them.

Exclude Yourself from the Settlement. If you do not wish to take part in the Settlement, you may exclude yourself by sending the Settlement Administrator a written "Request for Exclusion from the Class Action Settlement" postmarked no later than <<RESPONSE DEADLINE>>. The request must include your name, address, telephone number, and your signature.

The Request for Exclusion must state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *LOZA V. HIDDEN VALLEY INVESTMENTS INC.* LAWSUIT FILED IN SAN DIEGO COUNTY SUPERIOR COURT, CASE NO. 24CU009062C. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THIS SETTLEMENT."

Send the Request for Exclusion to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Anyone who submits a timely Request for Exclusion will no longer be a Settlement Class Member, will be barred from participating in the Class Action Settlement. **Do not submit both a Dispute and a Request for Exclusion**. If you submit both, the Request for Exclusion will be invalid, you will remain in the Settlement Class, and you will be bound by its terms.

PAGA Members may not opt out of the release of PAGA claims. They will receive payment for their share of PAGA penalties even if they request exclusion from the Settlement and do not receive the class portion of their Individual Settlement Payment.

Objecting to the Settlement. You have the right to object to the Settlement. If the Court rejects your objection, you will still be bound by the Settlement. To object, you must mail a written objection to the Settlement Administrator, who will serve all objections on Class Counsel and Defendants' Counsel and file them with the Court. Your written objection must include your name, current address, telephone number, and signature; the contact information for any

attorney representing you; the case name and number; each specific reason for your objection; and all factual and legal bases for your objection, including all supporting papers, briefs, written evidence, declarations, and/or other documentation. All objections must be postmarked on or before <<RESPONSE DEADLINE>>.
You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department C-63 of the San Diego County Superior Court, 330 West Broadway, San Diego, California 92101. The Court may change the location, date, or time without further notice. You may contact Class Counsel to confirm the hearing details if you plan to appear. You have the right to appear in person or through your own attorney, whether or not you submit a written objection. If you object, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by it the same as Settlement 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 <<FINAL APPROVAL HEARING DATE/TIME>> in Department C-63 of the San Diego County Superior Court, 330 West Broadway, San Diego, California 92101. The Court may change the location, date, or time without further notice. You may contact Class Counsel to confirm the hearing details. At the hearing, the Court will also rule on Class Counsel's request for attorneys' fees, reimbursement of documented costs and expenses, the enhancement payment to the Class Representative, the Settlement Administrator's costs, and the allocation of PAGA penalties. **You are not required to attend the Final Approval Hearing.**

How can I get additional information?

This Notice provides a summary of the Action and the Settlement. For more information, you may view the docket online at https://odyroa.sdcourt.ca.gov/Cases by entering the case number 24CU009062C. You may also contact Class Counsel using the information above.

PLEASE DO NOT CALL OR WRITE TO THE COURT, DEFENDANTS, OR THEIR ATTORNEYS ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

REMINDER AS TO TIME LIMITS

The deadline to submit any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>.

NOTICE OF SETTLEMENT PAYMENT

LOZA v. HIDDEN VALLEY INVESTMENTS, INC. ET AL.
SAN DIEGO COUNTY SUPERIOR COURT
CASE NO. 24CU009062C

Please complete, sign, date, and return this form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your contact information has changed or (2) you wish to dispute any information in Section (III) below. You are responsible for keeping your current address on file with the Settlement Administrator.

(I) Please type or print your full name:

____
(First, Middle, Last)

(II) Please provide the following information if your contact details have changed:

____
Former Names (if any)

____
New Street Address

____
City State Zip Code

(III) Information Used to Calculate Your Individual Settlement Payment:

According to Defendants' records:

(a) You worked _______________ workweeks during the Class Period.

(b) Settlement Class Members worked a total of _______________ workweeks during the Class Period.

(c) You worked _______________ pay periods during the PAGA Period.

(d) PAGA Members worked a total of _______________ pay periods during the PAGA Period.

Based on this information, your Individual Settlement Payment is estimated at $___________ and your PAGA Payment is estimated at $___________.

(IV) If you disagree with any of the information listed in items (a) through (d) of Section (III), explain below and include copies of any supporting documentation with this form:

____
____
____

If you dispute the information in Defendants' records, those records will control unless you provide documentation showing they are mistaken. If a dispute cannot be resolved informally, the Parties and the Settlement Administrator will address it as described in the Class Notice. Any unresolved disputes will be submitted to the Court for final determination.

ANY DISPUTES WITH SUPPORTING DOCUMENTATION MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.

Signature: ____________________________ Date: ________________

<u>REQUEST FOR EXCLUSION FORM</u>

LOZA v. HIDDEN VALLEY INVESTMENTS, INC. ET AL.
San Diego County Superior Court
Case No. 24CU009062C

IF YOU <u>DO NOT</u> WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST COMPLETE, SIGN, AND MAIL THIS FORM, POSTMARKED ON OR BEFORE <<RESPONSE DEADLINE>>, ADDRESSED AS FOLLOWS:

[INSERT SETTLEMENT ADMINISTRATOR] ***Brian Loza v. Hidden Valley Investments, Inc. et al.*** **SETTLEMENT ADMINISTRATOR** **<<INSERT ADMINISTRATOR CONTACT INFO>>**

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

By signing, filling out, and returning this form, I confirm that I do not want to be included in the Settlement of the lawsuit entitled *Brian Loza v. Hidden Valley Investments, Inc., et al*., San Diego County Superior Court Case No. 24CU009062C.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *LOZA V. HIDDEN VALLEY INVESTMENTS INC*. LAWSUIT FILED IN SAN DIEGO COUNTY SUPERIOR COURT, CASE NO. 24CU009062C. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT.

I UNDERSTAND I MAY STILL BE ENTITLED TO RECEIVE A PAYMENT FOR MY SHARE OF THE PAGA PENALTIES AS DESCRIBED IN THE ACCOMPANYING NOTICE OF CLASS ACTION SETTLEMENT AND NOTICE OF SETTLEMENT PAYMENT AND WILL BE DEEMED TO HAVE WAIVED THE PAGA CLAIMS AGAINST DEFENDANTS AND RELEASED PARTIES.

____

Name Telephone Number

____

Address

____

Date Signature

EXHIBIT C

September 3, 2024

<u>VIA LWDA WEBSITE</u>

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

Re: *Brian Loza vs. Hidden Valley Investments, Inc. dba Quality Chevrolet and Quality Chevrolet Commercial Truck*

To Whom It May Concern:

Please be advised that this law firm represents Mr. Brian Loza ("Mr. Loza") in claims arising from his employment with Hidden Valley Investments, Inc., dba Quality Chevrolet and Quality Chevrolet Commercial Truck., a California Corporation, and Does 1 through 100 ("Defendants"). Mr. Loza is an "aggrieved employee" within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate automotive dealerships and have employed Mr. Loza as a non-exempt "Lube Technician" since approximately January 2, 2024. Mr. Loza primary job duties include, but are not limited to, tire rotations, inspections, oil changes, and other routine vehicle repairs. Unless otherwise specified, all allegations contained herein occurred during Plaintiff's employment with Defendants.

Defendants failed to pay Mr. Loza and other aggrieved employees for all hours actually worked, including all hours subject to the control of Defendants and/or suffered or permitted to work. Specifically, Defendants require Mr. Loza and other aggrieved employees to take off gloves and wash their hands after clocking out for their meal periods and at the end of their shifts. As a result, Defendants required Mr. Loza and other aggrieved employees to perform work while off-the-clock, resulting in a failure to compensate Plaintiff and other aggrieved employees for all minimum and overtime wages owed.

Mr. Loza routinely worked in excess of 8 hours per workday and/or 40 hours per workweek but did not receive overtime compensation equal to one and a half times his regular rate of pay for all overtime hours worked. Defendants paid Mr. Loza and other aggrieved employees non-discretionary bonuses, commissions, incentive pay, and/or other forms of pay that are not excludable from an employee's "regular rate" of compensation including, but not limited to, payments denoted in their wage statements as "SERV SPIFFS" and "ARB.BONUS" (hereinafter referred to as "Incentive Pay"). Despite paying Mr. Loza and other aggrieved employees Incentive Pay, Defendants failed to properly incorporate the value of the Incentive Pay earned by Mr. Loza and other aggrieved employees when calculating their respective regular rates of pay, resulting in unpaid overtime wages.

Throughout Mr. Loza's employment, Defendants have failed to provide Mr. Loza and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Defendants require Mr. Loza and other aggrieved employees to take off gloves and wash their hands off-the-clock during purported meal periods. *See Kaanaana v. Barrett Business Services, Inc.* (2018) 29 Cal.App.5th 778, 808 (holding that requiring employees to work through any portion of meal period entitles them to payment for actual time worked as well as an additional hour of pay for the meal period premium). Additionally, on many occasions Mr. Loza and other aggrieved employees were interrupted during meal periods due to work demands and were required to return to work to attend to customers prior to completing their meal. Similarly, Mr. Loza and other aggrieved employees were required to delay their meal period until well after the fifth hour of work when the store was busy and customers were waiting. Defendants have also failed to provide Mr. Loza and other aggrieved employees with any second meal periods, even though Mr. Loza and other aggrieved employees frequently worked shifts in excess of 10.0 hours. Defendants also failed to provide Mr. Loza and other aggrieved employees with an additional hour of premium pay at the regular rate of pay in each instance in which a violation occurred as required by Labor Code § 226.7.

Defendants have failed to authorize and permit Mr. Loza and other aggrieved employees to take all required rest periods due to Defendants' unlawful rest period policies/practices, which failed to authorize and permit a net 10-minute duty-free rest period for every four hours worked, or major fraction thereof. As with meal periods, Mr. Loza and other aggrieved employees have been frequently prevented from taking rest periods, or interrupted during rest periods, as a result of work demands. On those occasions when Mr. Loza was not authorized and permitted to take all legally compliant rest periods to which they were entitled, Defendants failed to compensate Mr. Loza with the required rest period premium(s) the regular rate of pay for each workday there was a rest period violation as mandated by Labor Code § 226.7.

Defendants also failed to pay Mr. Loza and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictated that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Loza and other aggrieved employees received various forms of non-discretionary Incentive Pay that was required to be incorporated when calculating their respective regular rates of pay, but were not, Mr. Loza and other aggrieved employees have not been paid all sick pay wages owed to them.

Defendants have also failed to reimburse Mr. Loza and other aggrieved employees for the use of their personal cellular phones and tools for necessary work activities, as required by Labor Code § 2802. Specifically, Defendants required Mr. Loza and other aggrieved employees to communicate with coworkers and their supervisors regarding work-related matters through their personal cellular phones. Additionally, Mr. Loza was required to purchase tools, such as ratchets, sockets, pliers, hammers, and tire pressure sensors to complete his work duties. However, Defendants have failed to reimburse Plaintiff and other aggrieved employees for a reasonable portion of their monthly cellular phone bills and use of their personal tools despite requiring the use of their personal cellular phones and tools for business purposes.

As a result of Defendants' failure to pay all minimum wages, overtime wages, sick pay wages, and meal and rest period premium wages owed, Defendants have maintained inaccurate payroll records, and issued inaccurate wage statements. Additionally, the wage statements issued by Defendants are facially non-compliant as they fail to list the gross wages earned, the total hours worked, the net wages earned, and all applicable hourly rates in effect during the pay period, in violation of Labor Code § 226(a).

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 7 ("Wage Order 7"):

Minimum Wage Violations

Wage Order 7, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys' fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Mr. Loza 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.

Overtime Wage Violations

Defendants were required to properly pay Mr. Loza and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 7. Wage Order 7, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours" per workday and/or in excess of 40 hours of work in the workweek. Wage Order 7, § 3 also requires an employer to pay an employee double the employee's regular rate of pay for work in excess of twelve hours each workday and/or for work in excess of eight hours on the seventh consecutive day of work in the workweek. Defendants caused Mr. Loza and other aggrieved employees to work overtime hours but did not compensate Mr. Loza or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Loza 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. Loza 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 described above, Defendants also failed to authorize and permit Mr. Loza and other aggrieved employees to take all required and compliant rest periods. See Labor Code §§ 226.7 and 516; Wage Order 7, § 12. As a result, Mr. Loza and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Failure to Reimburse Necessary Business Expenses

Defendants failed to indemnify Mr. Loza and other aggrieved employees for all necessary business expenses incurred, including, among other things, slip resistant shoes, and mileage reimbursement. As a proximate result of Defendants' policies and/or practices in violation of Labor Code §§ 2802 and 2804, Mr. Loza and other aggrieved employees are entitled to damages, attorneys' fees and costs of suit, and interest thereon, in sums to be shown according to proof at trial, pursuant to Labor Code § 2802.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Loza and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period, the corresponding number of hours worked at each hourly rate by the employee, and the correct name of the employer, in violation of Labor Code § 226 *et seq*. Defendants' failures in furnishing Mr. Loza and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

As an "aggrieved employee", Mr. Loza will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Mr. Loza own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Failing to pay Mr. Loza and other aggrieved employees the statutory minimum wage for all hours worked in violation of Labor Code §§ 558, 1182.12, 1194, 1194.2, 1197;

b. Failing to pay Mr. Loza and other aggrieved employees all earned overtime compensation in violation of Labor Code §§ 204, 510, 558, 1194, and 1198;

c. Failing to provide Mr. Loza and other aggrieved employees all legally required meal periods, and failure to pay meal period premium wages to Mr. Loza and other aggrieved employees at their regular rate of pay, in violation of Labor Code §§ 226.7, 512, and 558;

d. Failing to authorize and permit Mr. Loza and other aggrieved employees to take all lawful rest periods to which they are entitled, and failing to pay rest period premium wages to Mr. Loza and other aggrieved employees at their regular rate of pay, in violation of Labor Code §§ 226.7, 516, and 558;

e. Failing to reimburse Mr. Loza and other aggrieved employees for all work-related expenses incurred in violation of Labor Code §§ 2802 and 2804;

f. Failing to furnish Mr. Loza and other aggrieved employees with complete, accurate, itemized wage statements, in violation of Labor Code § 226;

g. Failing to pay Mr. Loza and other aggrieved employees all earned wages at least twice during each calendar month, in violation of Labor Code § 204; and

h. Failing to maintain accurate records on behalf of Mr. Loza and other aggrieved employees, in violation of Labor Code §§ 558 and 1174.

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Pursuant to Labor Code § 2699.3, 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

Fletcher W. Schmidt, Esq.

cc: Hidden Valley Investments, Inc. c/o Joseph C Herold, agent for service of process, 1550 Auto Park Way, Escondido, CA 92029 (via certified mail).

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C/O: JOSEPH C HEROLD AGENT FOR SERVICE OF PROCESS
1550 AUTO PARK WAY
ESCONDIDO CA 92029

Brian Loza - JR

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EXHIBIT D