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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

ROBERT PEREZ, and TROY GEAR, individuals, on behalf of themselves, and on behalf of all persons similarly situated, Plaintiffs, vs. GO CAR WASH MANAGEMENT CORP., a Delaware corporation; GO CAR WASH CALIFORNIA LLC, a Delaware limited liability company; and DOES 1-50, Inclusive, Defendants	Case No. CIVSB2333340 **DECLARATION OF SYDNEY CASTILLO-JOHNSON, ESQ. IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT** Date: February11, 2026 Time: 8:30 a.m. Judge: Hon. Jeffrey R. Erickson Dept.: S14

I, Sydney Castillo-Johnson, Esq., declare as follows:

1. I am over eighteen years of age, and if called as a witness, I could and would competently testify to the following facts from my own personal knowledge. I am an attorney-at-law at JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am co-counsel of record for Plaintiffs ROBERT PEREZ (hereinafter "Plaintiff Perez") and TROY GEAR (hereinafter "Plaintiff Gear") (collectively "Plaintiffs" or "Plaintiff") in this wage and hour class action filed against GO CAR WASH MANAGEMENT CORP and GO CAR WASH CALIFORNIA LLC (hereinafter "Defendants").

2. This declaration is being submitted in support of Plaintiffs' motion for Preliminary Approval of Class Action Settlement.

I. EXHIBITS

3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Stipulation of Class Action and PAGA Settlement and Release ("Agreement" or "Settlement Agreement"). Attached as **Exhibit "A"** to the Agreement is a true and correct copy of the proposed Notice Packet.

4. Attached hereto as **Exhibit "2"** is a true and correct copy of the proof of filing with the Labor and Workforce Development Agency notice of this settlement with the Settlement Agreement and Motion for Preliminary Approval of Class Action and PAGA Action Settlement evidencing Class Counsel's compliance with California Labor Code Section 2699(l)(2).

II. INTRODUCTION

5. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of the Class is fair, reasonable, and adequate. The Settlement was negotiated by the Parties at arm's length. The Settlement confers substantial benefits to the Settlement Class. The relief offered by the Settlement is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing wage and hour cases (*see infra)*. Indeed, by settling now rather than proceeding to trial, Settlement Class Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class certification being denied or of Defendant prevailing at trial. Given that there are approximately 353 Settlement Class Members, ***the average gross recovery is approximately $534.89*** (Net Settlement Amount divided by Settlement Class Members.)

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6. As discussed below, the proposed Settlement satisfies all criteria for preliminary settlement approval and falls within the range of reasonableness. The average Individual Settlement Payment to the Settlement Class meets or exceeds awards in similar wage and hour class actions. Moreover, the proposed Class is appropriate for provisional certification. Accordingly, Plaintiffs respectfully request the Court grant preliminary approval of the Settlement.

III. FACTS AND PROCEDURE

A. Overview of the Litigation

7. Defendants operate car wash facilities in California, including the county of San Bernardino, where Plaintiffs worked. Plaintiff Perez was employed by Defendants as a non-exempt employee, paid on an hourly basis, from July of 2022 to April of 2023. Plaintiff Gear was employed by Defendants as a non-exempt employee, paid on an hourly basis from April 2024 through October 2024. At all times during Plaintiffs' employment, they were entitled to legally compliant meal and/or rest periods, and minimum, regular and overtime wages for all hours worked. Throughout Plaintiffs' employment, Plaintiffs were subject to Defendants' written policies and procedures contained in, among other documents, the "Teammate Handbook." On December 29, 2023, Plaintiff Jackson served Defendant and the Labor and Workforce Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiff Jackson's PAGA Notice set forth the facts and theories supporting Defendant's alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 et seq. ("PAGA").

8. On December 29, 2023, Plaintiff Perez served Defendants and the Labor and Workforce Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiff Perez's PAGA Notice set forth the facts and theories supporting Defendants' alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 et seq. ("PAGA")

9. On December 29, 2023, Plaintiff Perez filed the instant Class Action Complaint in the San Bernardino Superior Court alleging eight (8) causes of action against Defendants for: (1) Unfair

Competition in Violation of Cal. Bus. & Prof. Code §17200 *et seq*.; (2) Failure to Pay Minimum Wages in Violation of Cal. Lab. Code §§ 1194, 1197 & 1197.1; (3) Failure to Pay Overtime Wages in Violation of Cal. Lab. Code §§ 510, *et seq*.; (4) Failure to Provide Required Meal Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage Order; (5) Failure to Provide Required Rest Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage Order; (6) Failure to Reimburse Employees for Required Expenses in Violation of Cal. Lab. Code § 2802; (7) Failure to Provide Accurate Itemized Statements in Violation of Cal. Lab. Code § 226; (8) Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 and 203. (the "Action").

10. On March 8, 2024, Plaintiff Perez filed a First Amended Complaint alleging an additional cause of action for violations of PAGA. On December 23, 2024, Plaintiff Perez filed a Second Amended Complaint ("Operative Complaint") which added Plaintiff Gear as a named Plaintiff.

11. Generally, Plaintiffs claim that Defendants failed to properly calculate the regular rate of pay for purposes of overtime, double time, meal period premiums, and sick pay, failed to provide them with legally compliant meal and rest breaks, failed to pay employees for all time worked, failed to reimburse for required business expenses, failed to provide accurate itemized wage statements, and failed to timely pay wages due upon separation of employment. Defendants forcefully deny liability for each of Plaintiffs' claims. Further, Defendants assert that they fully complied with all applicable employment laws and raised several other significant defenses to Plaintiffs' claims, including but not limited to, payment of all wages at the correct regular rate of pay, facially compliant meal and rest period polices, reimbursement to its employees for business expenses, provided compliant wage statements, and timely payment of all wages due upon separation of employment.

12. The Parties agreed relatively early in the litigation to attend private mediation. To facilitate settlement negotiations, Defendants agreed to informally produce documents and data points subject to the mediation privilege, including but not limited to, the Class Members' time and payroll data in full, and pertinent written wage and hour policies. As discussed *infra,* Plaintiffs' counsel retained the forensic consultants at Berger Consulting Group ("BCG") to analyze Defendants' time and payroll data.

13. On January 29, 2025, the Parties mediated the Action with Tripper Ortman, a mediator of class and PAGA actions. The Parties engaged in arms-length settlement negotiations with Mediator Ortman's assistance. Specifically, Mediator Ortman helped manage the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial progress with Mediator Ortman's assistance. Namely, the Parties exchanged information regarding their respective claims and defenses, including their respective evaluation of the damages. The mediation concluded with a settlement. The agreement was subsequently memorialized in the form of a Memorandum of Understanding ("MOU"). After reaching an agreement in principle, the Parties drafted and negotiated a long-form settlement agreement, which is the subject of the instant motion.

B. Class Counsel Thoroughly Investigated the Factual and Legal Issues

14. Months before filing the Action, Class Counsel began its pre-filing investigation into Plaintiffs' complaints. Class Counsel's investigation started with several lengthy interviews with Plaintiffs. As part of the interview process, Plaintiffs produced documents related to their employment, including, among other things, copies of their wage statements, time records, handbooks, and separation documents. At the conclusion of the interviews, Class Counsel determined that each of Plaintiffs' complaints justified further inquiry.

15. Class Counsel subsequently requested Plaintiffs' employee file from Defendants. In response, Defendants produced documents, including but not limited to, Plaintiffs' hiring and separation documents, payroll records, and time records. Class Counsel reviewed and analyzed the documents and determined the documents appeared to substantiate Plaintiffs' claim that Defendants failed to, among other things, properly calculate the regular rate of pay for purposes of overtime, double time, meal period premiums, and sick pay, pay employees for all time worked, provide them with proper meal and rest breaks, reimburse for required business expenses, provide accurate itemized wage statements, and timely pay wages upon termination.

16. Considering the many anticipated factual disputes and the high cost of litigation, the Parties agreed that it would be in the best interest of both Parties to mediate the matter. To prepare for mediation, Defendants produced the complete sets of Class Member time and payroll records, aggregate workweek and pay period data, and copies of applicable policies, and agreements containing,

inter alia, compensation, timekeeping and meal and rest period policies. In total, Defendants produced more than 4 million unique cells of time and payroll data for Class Counsel to analyze.

17. Class Counsel then retained the statisticians and economists at BCG to evaluate the Class Members' payroll and time data. BCG provides data analysis and damage modeling consulting services specializing in wage and hour class actions. BCG's team of financial and data analysts are credentialed and experienced experts in their fields and have provided their expertise on thousands of cases. Stated differently, BCG is uniquely qualified to analyze Defendants' time and payroll data.

18. BCG analyzed Defendants' time and payroll data to assist in the development of various damage models. Among other things, BCG determined the approximate number of work shifts, workweeks, pay periods during the Class Period, and the average length of shift and average number of hours worked per week and per pay period during the Class Period. BCG also estimated the amount of meal and rest period premiums paid during the Class Period, the amount of unreimbursed business expenses, the amount of unpaid wages owed, and the amount of off-the-clock work performed by the Class Members during the Class Period.

19. In advance of mediation, Class Counsel created several damage models predicated on the BCG analysis. Class Counsel's models calculated Defendants' potential liability exposure while accounting for the uncertainties of continued litigation. These damage models informed and guided Class Counsel during the mediated settlement discussions.

20. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1) determining Plaintiffs' suitability as a putative class representative through interviews, background investigations, and analysis of his employment files; (2) evaluating all of Plaintiffs' potential claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions, and the type of employer; (4) analyzing the Class Members' time and payroll records; (5) analyzing Defendants' labor policies and practices; (6) researching settlements in similar cases as well as outstanding issues which could affect settlement approval; (7) evaluating Plaintiffs' claims and estimating Defendants' liability for purposes of settlement; (8) drafting the mediation brief; and (9) participating in the mediation. This investigation allowed Class Counsel to fully assess the nature and magnitude of the claims being settled, as well as the impediments to recovery, such as to make an

independent assessment of the reasonableness of the terms to which the Parties have agreed.

IV. ARGUMENT

A. The Court Should Preliminarily Approve the Settlement

21. The Gross Settlement Amount of $400,000.00 is well within the range of reasonableness considering the nature and magnitude of the claims being settled and the various potential impediments to recovery. The Parties participated in mediation with Tripper Ortman, an experienced mediator of wage and hour class and PAGA actions. Mediator Ortman managed the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. (*In re Apple Computer, Inc. Derivative Litig,* No. C 06-4128 JF (HRL), 2008 U.S. Dist. LEXIS 108195 (N.D. Cal. Nov. 5, 2008) (mediator's participation weighs considerably against any inference of a collusive settlement); *D'Amato v. Deutsche Bank* (2d. Cir. 2001) 236 F.3d 78, 85 (a "mediator's involvement in pre-certification settlement negotiations helps to ensure that the proceedings were free of collusion and undue pressure.").) At all times, the Parties' negotiations were at an arm's length, adversarial and non-collusive. The matter was resolved only after Mediator Ortman heard arguments, reviewed evidence, evaluated the Parties' respective claims and defenses.

22. Once the Parties agreed to a settlement, the Parties engaged in protracted negotiations regarding the written terms of the class action and PAGA settlement. The Parties maintained the arm's length, non-collusive and adversarial negotiations while arriving at the final terms of the Settlement. The Agreement is the final product of these mediated negotiations. Objectively, the Settlement terms are fair, adequate and represent a reasonable compromise of the claims at issue.

23. Class Counsel only agreed to enter the Settlement following this thorough investigation and evaluation of Plaintiffs' claims. Based on this investigation of the facts, applicable law, and marketplace for similar settlements, and considering the risk of significant delay, uncertainty associated with litigation, and the various defenses asserted by Defendants, Class Counsel firmly believes this Agreement to be in the best interests of the Class Members. Because the Settlement's terms are fair, reasonable, and adequate, the Court should preliminarily approve the Settlement.

24. Class Counsel retained BCG to develop economic damage models measuring Defendants' potential liability exposure with respect to the Class and PAGA claims. The damage

models were informed by Class Counsel's investigation, including the analysis of the time and payroll data Defendants produced. Regarding Defendants' liability for class claims, Class Counsel projected Defendants' liability exposure (excluding penalties) at $792,255.15 ("Conservative Model") and Defendants' *total* exposure for class claims (including waiting time and wage statement penalties, but exclusive of PAGA penalties) at $1,640,798.40 ("Aggressive Model"). Thus, the Gross Settlement Amount of $400,000.00 represents approximately 50.49% of Defendants' *total* liability exposure and 24.38% of Defendants' *maximum* class-wide exposure.

(1) <u>Estimated Exposure for Regular Rate Violations</u>

25. One of Plaintiffs' primary claims in the Action was that Plaintiffs alleged that Defendants miscalculated the regular rate of pay for purposes of overtime, double-time, meal period premiums, and redeemed sick pay. Specifically, Plaintiffs allege that Class Members received commissions and other non-discretionary incentive compensation labeled on wage statements as "Commission," "Commissions FL," "Referral Bonus," Additional Earnings Com Commi" payments, which were not properly calculated into the regular rate of pay for purposes of overtime, double time, meal period premiums, and redeemed sick pay. The regular rate of pay, which can change from pay period to pay period, includes adjustments to the straight time rate, reflecting, among other things, non-discretionary bonuses and awards, shift differentials and the per-hour value of any non-hourly compensation the employee has earned. *Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542, 552-554. For overtime work, "an employee must receive a 50 percent premium on top of his or her regular rate of pay[.]" *Id.* at 553. California law also requires meal period premiums and rest period premiums to be paid at an employee's regular rate of pay. See *Ferra v. Lowes Hollywood Hotel, LLC* (2021) 11 Cal.5th 858.). Plaintiffs' expert determined that Defendants' miscalculation of the regular rate of pay affected approximately 170 employees out of the 353 Class Members.

26. Defendants asserted that the incentive payments identified by Plaintiffs were discretionary in nature and otherwise not required to be included in the regular rate of pay for purposes of calculating overtime, double time, meal period premiums, or redeemed sick pay. Defendants contend that these payments fell outside the scope of compensation subject to regular rate calculations under applicable California law and dispute that any miscalculation occurred. In light of the above, Plaintiffs

applied a 50% discount to this claim and estimated Defendants' exposure ranged between $10,266.00 and $20,532.00.

(2) Estimated Exposure for Meal Period Violations

27. Plaintiffs also alleged that Defendants failed to provide compliant meal periods. Specifically, Plaintiffs' expert determined that approximately 14.9% of meal periods were short, late, or missed. Further, Defendant's did not have in place a legally compliant written meal period policy applicable to Class Members during the Class Period. Moreover, approximately 50% of the meal periods were rounded to exactly thirty (30) minutes, which Plaintiffs argue creates a presumption of a meal period violation.

28. Defendants contend that they fully complied with California meal period laws and maintained compliant meal period policies and waivers. Defendants also argued that they paid meal period premiums throughout the Class Period. Defendants also argued that it did not engage in rounding meal period start and end times and provided all its employees, i.e., Class Members and PAGA Members, with the opportunity to take compliant meal periods. Thus, Defendants argued that there was no potential liability for Plaintiffs' alleged meal period violations and any claimed violations required a highly individualized inquiry not suitable to class procedures.

29. In light of the foregoing, and considering Defendants' defenses, Plaintiffs applied a 50% discount and estimated that Defendants' exposure ranged from $13,375.78 to $26,751.56.

(3) Estimated Exposure for Rest Period Violations

30. Plaintiffs also alleged that Defendants failed to provide compliant rest periods. Specifically, Plaintiffs alleged that because of their rigorous work schedules, Plaintiffs, Class Members, and PAGA Members were not able to take timely and duty-free rest periods. Similar to the absence of a legally compliant written meal period policy, Defendants also lacked a legally complaint written rest period policy. While Defendants paid some meal period premiums, they did not pay a single rest period premium during the Class Period.

31. Again, Defendants denied liability and asserted that it maintained legally compliant practices concerning rest periods throughout the Class Period. Moreover, Plaintiffs recognize the evidentiary burdens establishing this claim. Establishing Plaintiffs' rest period claim would rely,

almost entirely, on Class Member testimony, making it a riskier claim at class certification and liability stages. Certification likely would have required depositions of Class Members who provided declarations, and Defendants would have obtained opposing declarations stating either rest breaks were taken, or rest breaks were voluntarily waived. *See, e.g., Ordonez v. Radio Shack, Inc*. (C.D. Cal. Jan. 17, 2013) 2013 WL 210223, at *11 ("Because of the competing testimony before the Court, Plaintiffs' evidence that Defendants may have an illegal, written rest break policy is insufficient for this Court to find that common issues predominate."); *Villa v. United Site Servs. of California, Inc*. (N.D. Cal. Nov. 13, 2012) 2012 WL 5503550, at *8 ("Indeed, Plaintiffs' own evidence confirms that the written policy does not generate uniform practices"). Accordingly, Plaintiffs' Conservative Model applied a 50% discount to the rest break claim. Plaintiffs estimated the range of potential outcome for this claim was between approximately $13,375.78 to $26,751.56.

(4) Estimated Exposure for Faiure to Reimburse for Mandatory Business Expenses

32. Plaintiffs also alleged that Defendants failed to reimburse Class Members for mandatory business expenses. Specifically, Plaintiffs alleged that Defendants required employees to use their personal cell phones to clock in and out for their shifts and meal periods. Cal. Labor Code § 2802, provides that "[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer…" Based on Plaintiffs' testimony BCG assumed a reasonable $10 per month of unreimbursed business expenses.

33. Defendants again denied any liability, maintaining that all employees received reimbursement for required business expenses. Defendants also asserted that tablets were made available for employees to record their time and that use of their cell phones was voluntary. Moreover, Defendants argued that, even if the claim were successful, it would result in only minimal actual damages to the Class Members. Thus, Plaintiffs applied a 75% discount to the unreimbursed business expense claim and estimated Defendants' exposure ranged from $281.80 to $1,127.00.

(5) Estimated Exposure for Wage Statement Violations

34. Plaintiffs also alleged that Defendants failed to furnish their employees with accurate itemized wage statements. Specifically, Plaintiffs allege that as a result of Defendants' failure to provide

meal and rest periods as required by the California Labor Code and pay for all wages, Plaintiffs and other Class Members are entitled to derivative wage statement penalties. (*See Naranjo, supra,* 15 Cal.App.1056 (concluding that meal premiums are "wages" entitling employees to derivative wage statement penalties). Defendants argued that this claim would fail because the underlying claims would fail and that, even if it failed to furnish accurate wage statements, Plaintiffs could not establish the injury requirement on a class-wide basis. Considering Defendants' defenses and the fact that all of Defendants' wage statement violations were all derivative, Plaintiffs discounted this claim 75% to account for this risk. Plaintiffs estimated that Defendants' exposure on this claim ranged between $209,637.50 and $838,550.00.

(6) <u>Estimated Exposure for Waiting Time Penalties</u>

35. Plaintiffs also alleged that the Defendants' labor code violations resulted in derivative liability for waiting time penalties. However, this is Plaintiffs' most uncertain claim. Specifically, Defendants argued that Plaintiffs could not prove the "willful" prong needed to obtain waiting time penalties under Labor Code section 203. Additionally, for the reasons stated above, *Naranjo, supra,* 15 Cal.App.1056, creates difficulty in Plaintiffs succeeding in a purely derivative waiting time penalty claim. Notwithstanding the uncertain nature of the claims, Plaintiffs discounted the waiting time penalty claim by 90% and estimated Defendants' exposure for these claims ranged between $545,325.75 and $727,101.00.

(7) <u>Defendants' PAGA Exposure</u>

36. Class Counsel's damage models also estimate Defendants' exposure for PAGA penalties arising from the aforementioned violations. At the time of mediation, Plaintiffs conservatively estimated Defendants' PAGA exposure to be approximately $42,635.00 and aggressively estimated $179,150.00.

37. Here, the Parties negotiated a good faith PAGA Payment in the amount of $20,000.00 which is 5% of the Gross Settlement Amount. This amount falls well within the range of approved PAGA penalties. Seventy-Five percent (75%) of the PAGA Payment ($15,000.00) will be paid to the LWDA ("LWDA Payment") with the remaining twenty-five percent (25%) of the PAGA Payment ($5,000.00) will be distributed to the PAGA Members, which is within the range of PAGA penalties approved by courts and should be approved.

38. For the aforementioned reasons, the PAGA allocation of the Gross Settlement Amount is fair, just, and reasonable.

B. Inherent Risks of Continued Litigation Support Preliminary Approval

39. With respect to the most immediate challenge, i.e., class certification, the risks attendant to the certification of similar wage and hour claims are demonstrated by *Ali v. U.S.A. Cab Ltd.* (2009) 176 Cal.App.4th 1333, 1341. There, the Court of Appeal affirmed the Trial Court's denial of class certification because employees' declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show harm. *See also Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying certification of driver meal and rest period claims based on the predominance of individual issues).

40. Further, even if a class is certified, liability remains uncertain. The risks attendant to the issue of Defendants' liability in similar wage and hour actions are demonstrated by *Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31. There, the Court reversed a trial verdict in favor plaintiffs in a wage and hour class action. *See also Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077, 1088 ("[T]he reason, if any, that employees might not take their breaks were predominantly individualized questions of fact not susceptible to class treatment.").

41. Finally, even if a class is certified and Defendants is found liable for the class claims alleged, post-certification risks remain, including a reversal of a favorable judgment for Plaintiffs and decertification of the class. These post-certification risks are demonstrated by *Magadia v. Wal-Mart Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit vacated reversed and remanded a $110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action).

42. Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement.

43. Finally, continuing to litigate this action would require continued and extensive resources coupled with significant Court time to proceed through trial and post-trial motions; which can often take years. Furthermore, wage and hour litigation is complex and expensive, as it often necessitates extensive expert testimony, particularly with regards to damages. But even if Plaintiffs are successful at trial, Plaintiffs are acutely aware that a judgment does not end the litigation. Plaintiffs fully expect that Defendants would appeal any favorable judgment. As demonstrated by *Magadia, supra,* 999 F.3d 668, the risk of an appeal and subsequent reversal is real.

44. In this matter, Class Counsel negotiated a Gross Settlement Amount of $400,000.00 that is between 24.38% and 50.49% of Defendants' liability exposure for class damages. Given the amount of the settlement here, as compared to potential value of the claims, offset by the various inherent risks to continued litigation, the settlement is fair and reasonable.

C. Proposed Notice Informs the Class About the Case and Settlement

45. The Parties jointly drafted the Notice Packet which fairly and neutrally informs the Class Members of their rights and remedies. The Settlement Administrator will first verify addresses, then mail the proposed Notice Packet to all Class Members. The Notice Packet will include information regarding the nature of the lawsuit, a summary of the substance of the Settlement's terms, the class definition, the procedure and time period within which to requests for exclusions or objections to the Settlement, the date for the final approval hearing, the formula used to calculate settlement payments, and the terms and scope of the Settled Claims. Agreement at ¶ 5. The Parties negotiated this method to ensure delivering the most reasonable method of notice to the Class Members while ensuring cost effective administration of the Settlement.

46. Accordingly, both the method of disseminating the Notice Packet and content of the Notice Packet satisfy due process and the requirements of California law. (*See* C.R.C. 3.776(e)-(f); *State of Cal. v. Levi Strauss* (1986) 41 Cal.3d 460,485 (the class notice must "fairly apprise the class members of the terms of the proposed compromise and of the options open to dissenting class members.").)

D. The Court Should Preliminarily Approve the Service Award

47. Approximately 353 Class Members will share in the Net Settlement Amount due entirely to the effort and commitment of Plaintiffs. Subject to Court approval, therefore, the Settlement provides

for a Service Award of $10,000.00 for each Plaintiff. The service award is fair and reasonable compensation for the Plaintiffs' efforts bringing the action, assisting Class Counsel with the litigation and settlement, regularly conferring with Class Counsel on the status of his case and the strategies for prosecuting the claims, reviewing the proposed Settlement to ensure that its terms are fair and provide adequate relief for the Settlement Class.

48. Class Counsel on behalf of Plaintiffs will file a formal motion for the negotiated Service Award once preliminary approval of the Settlement is granted. Plaintiffs respectfully submit that the above showing is sufficient for preliminary approval of the negotiated Service Award.

E. The Court Should Preliminary Approve the Payment of the Attorneys' Fees and Attorneys' Costs

49. Class Counsel took this matter on a contingency fee basis and invested significant time and expense successfully prosecuting Plaintiffs' claims. As discussed *supra*, the estimated average Settlement Payment illustrates the demonstrably positive outcome for the Class Members. The Agreement provides for a payment of Attorneys' Fees and in the amount of up to one-third of the Gross Settlement Amount ($133,333.33) and Attorneys' Costs in an amount not to exceed $30,000.00. Agreement ¶ 54(a)-(b). Considering the positive outcome for the Class Members, and in light of the supporting authority, the proposed Attorneys' Fees and Attorneys' Costs is fair and reasonable. Plaintiffs will file a formal motion for the negotiated Attorneys' Fees and Attorneys' Costs once preliminary approval of the Settlement is granted. Plaintiffs respectfully submit that the above showing is sufficient for preliminary approval of the negotiated attorneys' fees.

F. The Court Should Provisionally Certify the Settlement Class

50. For Settlement, Plaintiffs contend, and Defendants do not dispute, that provisional certification of the Class is appropriate.

51. Because all Class Members are Defendants' current and former employees, the class is readily ascertainable from Defendants' regular business records, i.e., payroll records.

52. The California statutes relating to each of Plaintiffs' claims apply with equal force and effect to the entire Settlement Class. Factually, Defendants' policies and practices apply class-wide and Defendants' liability can be determined by facts common to all members of the class. The wage and

hour issues are both numerous and substantial, and a class action is the most advantageous method of dealing with the claims of the Settlement Class.

53. Plaintiffs' wage and hour claims are typical of the proposed Settlement Class because they arise from the same factual basis and are based on the same legal theories applicable to the other Class Members. Likewise, Plaintiffs' interests are entirely coextensive with the interests of the Settlement Class. Plaintiffs allege that they were injured by the same company-wide practices to which the proposed Class Members were subject to and seek the same relief. Plaintiffs have already demonstrated their ability to advocate for the interests of the Class Members by initiating this litigation, undertaking extensive class discovery, and evaluating the proposed settlement to ensure that it is fair.

54. A class action is superior to a multitude of individual lawsuits. Given the size and amount of each individual claim, the Class Members likely have little incentive to litigate their claims on an individual basis because the out-of-pocket expense and personal commitment necessary to litigate each claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case adjudication.

G. Class Counsel's Experience

55. Plaintiffs and Class Members are represented by competent and experienced counsel to pursue their claims.

56. I am qualified to represent the Plaintiffs, the State of California, and the Class Members. Class Counsel has experience with wage and hour class and representative actions litigation like this matter, and employment matters in general. Class Counsel, will and have adequately represented the interests of the Plaintiffs and Class Members throughout this action.

57. My primary practice is representative plaintiff employment law. I have handled a number of wage and hour matters, including individual actions, class actions, and representative PAGA actions, on behalf of plaintiffs. The following is a list of wage and hour class and/or PAGA actions where I have served as counsel and in which final settlement approval was granted: *See* generally *Chrestensen v. Northeastern Rural Health Clinics Lassen*, Superior Court Case No. 63703 (April 13, 2023); *Toler v. Total Testing Solutions, LLC,* Los Angeles Superior Court Case No. 21STCV38452 (July 27, 2023); *O'Quinn v. Laugh Factory, Inc.,* Los Angeles Superior Court Case No. 19STCV28155

(August 1, 2023); *Kneisly v. SR Machining, Inc., et al.,* Riverside Superior Court Case No. CVRI2201491 (October 5, 2023); *Anderson v. Barton Myers Associates, Inc., et al.,* Los Angeles Superior Court Case No. 21STCV43314 (October 12, 2023); *Coles v. Carefusion Resources LLC, et. al.* San Diego Superior Court Case No. 37-2022-00048696-CU-OE-CTL (March 25, 2024); *Thomas v. Center for Elder's Independence* Alameda Superior Court Case No. 22CV024221 (July 2, 2024); *Klein v. RedZone Security, Inc.,* Riverside Superior Court Case No. CVRI2202841 (August 15, 2024); *Nunez v. Titan AG, et. al.* Tulare Superior Court Case No. VCU296822 (February 4, 2025); *Rene v. Koch Filter Corporation* Riverside Superior Court Case No. CVRI2300700 (March 11, 2025); *Winn v. City Electric Supply Company* San Diego Superior Court Case No. 37-2023-0004023 1-CU-OE-CTL (March 13, 2025); *Gamble v. AirX Utility Surveyors, Inc.* San Diego Superior Court Case No. 37-2022-00042178-CU-OE-CTL (March 14, 2025); *Garcia v. ConvergeOne* San Bernardino Superior Court Case No. CIVSB2305464 (May 12, 2025); *Lowe* ***v.*** *Ash's First LLC, et al* San Diego Superior Court Case No. 37-2023-00031528-CU-OE-CTL (August 8, 2025). *Solis v. 51st St. & 8th Ave. Corp., et al,* San Diego Superior Court Case No. 37-2023-00031528-CU-OE-CTL (August 8, 2025).

58. As counsel for Plaintiffs and the proposed Class, Class Counsel has been actively involved in every aspect of this case and believes that the proposed Settlement is an excellent result for the Class.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 12th day of November 2025, at San Diego, California.

JCL LAW FIRM, APC

By: Sydney Castillo-Johnson
Sydney Castillo-Johnson, Esq.
Attorney for PLAINTIFFS

EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

ROBERT PEREZ and TROY GEAR, individuals, on behalf of themselves, and on behalf of all persons similarly situated, Plaintiffs, v. GO CAR WASH MANAGEMENT CORP., a Delaware corporation; GO CAR WASH CALIFORNIA LLC, a Delaware limited liability company; and DOES 1-50, Inclusive,	Case No. CIVSB2333340 **STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE**

This Stipulation of Class Action and PAGA Settlement and Release is entered into between Go Car Wash Management Corp. and Go Car Wash California LLC (cumulatively, "Defendants") and Plaintiffs Robert Perez and Troy Gear ("Plaintiffs") in the Action (as defined below).

DEFINITIONS

1. Action. The "Action" means the class action complaints and charges, including the lawsuits entitled, *Robert Perez and Troy Gear, et al. v. Go Car Wash Management Corp., et al.,* San Bernardino Superior Court Case No. CIVSB2333340.

2. Agreement. "Agreement" shall refer to the instant Stipulation of Class Action Settlement Agreement and Stipulation.

3. Class Counsel. "Class Counsel" shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC and Shani O. Zakay of Zakay Law Group, APLC and/or any successor(s) thereof.

4. Class Members, the Class, and Settlement Class Members. "Class Members" shall mean all current and former hourly-paid or non-exempt employees of Defendants who worked for Defendants within the State of California at any time between December 29, 2019 through March 1, 2025 ("Class Period"). The "Settlement Class'' or "Settlement Class Members" means all Class Members other than those who opt out (see paragraphs 20 and 60.d), as well as PAGA Members (see paragraph 24).

5. Class Notice. "Class Notice" means the document mutually agreed upon by the Parties and approved by the Court to be sent to the Class and PAGA Members in English and Spanish following preliminary approval that includes the scope of release language for Settled Claims and Settled PAGA Claims, notifies Class Members and PAGA Members of the Settlement, explains the Settlement and Class Members' options, including how Class Members may opt out or object to the Settlement, and explains the facts and methods based on which the Class Member's and PAGA Members' estimated settlement payments are calculated, substantially in the form attached hereto as "**Exhibit A**".

6. Class Period. "Class Period" means the period of time beginning on December 29, 2019 through March 1, 2025 ("Class Period").

7. The Court. The "Court" refers to the San Bernardino County Superior Court or other court or courts that will approve the Action, whether individually or together.

8. Day. "Day" or "days" refers to a calendar day(s) unless otherwise stated. If any designated date or deadline falls on a weekend or holiday, the designated date or deadline will occur on the next business day.

9. Defendants. "Defendants" means Defendants Go Car Wash Management Corp. and Go Car Wash California LLC.

10. Effective Date. "Effective Date" of this Agreement means the first business day following the last of the following occurrences: (i) if no Class Member timely and properly intervenes, files a timely motion to vacate the Judgment under, or objects or otherwise challenges the Settlement, then the date the Court enters an Order Granting Final Approval of the Settlement; (ii) if a Class Member timely intervenes or files a timely motion to vacate the judgment or objects or otherwise challenges the Settlement, then sixty-one (61) days following the date the Court enters an Order Granting Final Approval, assuming no appeal is filed; or (iii) if a Class Member timely intervenes or files a motion to vacate the Judgment, or objects or otherwise challenges the Settlement, and files a timely appeal, then the date of final resolution of that appeal (including any requests for rehearing and/or petitions for *certiorari),* resulting in final and complete judicial approval of the Settlement in its entirety, with no further challenge to the Settlement being possible. Defendants shall deposit all sums necessary to fund the Settlement after the Effective Date based on the schedule explained in paragraph 71 of this Agreement. In the event an appeal, writ, motion challenging the judgment or other collateral attack is made after the Effective Date, the funds shall not be distributed until all challenges are resolved in a manner that upholds the Settlement in its entirety and shall be returned if the Agreement is not finally and completely approved in all respects.

11. Exclusion Period. The "Exclusion Period" means the time period commencing on the date the Class Notice is mailed to Class Members via First Class U.S. and ending sixty (60) days later on the deadline to submit an Opt Out Request or Objection.

12. Final Judgment. "Final Judgment" means the judgment entered and filed by the Court that: (1) finally approves this Agreement and the Settlement and disposes all class issues

raised in this Action, bars through collateral estoppel and/or res judicata Settlement Class Members from reasserting Settled Claims against Released Parties; (2) finally approves this Agreement and the Settlement and disposes all PAGA issues and claims raised in this Action, bars through collateral estoppel and/or res judicata PAGA Members from reasserting PAGA Claims against Released Parties; and (3) awards and orders the payment of all required amounts pursuant to the terms of this Agreement (approved Class Counsel's attorneys' fees and costs, Settlement Payments to Class Members and PAGA Payments to PAGA Members, *etc.*). The Final Judgment will constitute a binding and final resolution of any and all claims by the Plaintiffs and all Settlement Class Members as to all Settled Claims and all PAGA Members as to all Settled PAGA Claims as set forth in this Agreement.

13. <u>Final Settlement Approval Hearing</u>. "Final Settlement Approval Hearing" means the hearing at which the Court shall consider the motion for final approval of this Settlement and determine whether to fully and finally approve the fairness and reasonableness of this Settlement and Agreement, and enter an order barring through collateral estoppel and/or res judicata Settlement Class Members from asserting Settled Claims against Released Parties and all PAGA Members from pursuing Settled PAGA Claims against Released Parties.

14. <u>Funding Payments</u>. "Funding Payments" means the payment(s) remitted to the Settlement Administrator ("SA") by Defendants following Final Judgment and the Effective Date in full and complete discharge of the entire monetary obligation of Defendants in an amount equal to the GSA, which, as set forth herein, shall satisfy all outstanding and awarded Settlement Payments, PAGA Payments, attorneys' fees and costs awarded to Class Counsel, the Plaintiff' enhancement awards as awarded by the Court, outstanding payments to the SA as approved by the Court for settlement administration costs, and the payment to the Labor Workforce Development Agency (or "LWDA"), minus any amounts already paid under the Agreement.

15. <u>Gross Settlement Amount or GSA</u>. "Gross Settlement Amount" or "GSA" means a maximum total payment of Four Hundred Thousand Dollars and No Cents ($400,000.00), payable by Defendants under this Agreement. No portion of the Gross Settlement Amount will revert to the Defendants.

16. Last Known Address. "Last Known Address" means the most recently recorded mailing address for a Class Member and/or PAGA Member contained in Defendants' records.

17. Plaintiffs. "Plaintiffs" individually and collectively means Plaintiffs Robert Perez and Troy Gear.

18. Net Settlement Amount or "NSA". "Net Settlement Amount" or "NSA" means the Gross Settlement Amount less the amounts deducted pursuant to paragraphs 54a through 54e of this Agreement, including deductions of the amounts awarded to Class Counsel, the enhancement award to the Plaintiffs, the payment to the LWDA to resolve claims under the PAGA, and the costs awarded for settlement administration owed pursuant to this Agreement.

19. Objection. "Objection" means a written request, which a Class Member may submit no later than the last day of the Exclusion Period and in the form specified in paragraph 61 in order to object to the Settlement, or a personal appearance, or other appearance permitted by the Court, at the final approval hearing to object.

20. Opt Out Request. "Opt Out Request" must (1) contain the name, address, and telephone number of the person requesting exclusion; (2) be signed by the Class Member; (3) be postmarked or fax stamped within the Exclusion Period [60 days after mailing date] and returned to the Settlement Administrator at the specified address or fax number. (See paragraph 60.d and see **Exhibit "B"**)

21. Order of Final Approval or Order Granting Final Approval of Settlement. "Order of Final Approval" or "Order Granting Final Approval of Settlement" or "Final Approval" means the order issued in conjunction with the entry of the Final Judgment to be submitted by the Plaintiffs together with the Motion for Final Approval of the Settlement for entry and filing by the Court as specified in this Settlement.

22. Parties. "Parties" shall mean Plaintiffs, individually on behalf of themselves and on behalf of all Class Members, PAGA Members and interests of the Labor Workforce Development Agency ("LWDA"), and Defendants.

23. PAGA Period. "PAGA Period" shall December 29, 2022 through March 1, 2025.

24. PAGA Member. "PAGA Members" means all current or former hourly-paid or non-exempt employees of Defendants who worked for Defendants within the State of California at any time during the PAGA Period.

25. PAGA Payment and PAGA Allocation. Of the Gross Settlement Amount, Twenty Thousand Dollars and No Cents ($20,000.00) shall be paid for the PAGA claims. "PAGA Allocation" is the $5,000.00 (*i.e.*, the remainder after subtracting the $15,000.00 allocated to the LWDA from the $20,000.00 total amount allocated to the PAGA settlement), divided by the total number of PAGA Pay Periods worked credited to all PAGA Members. Each PAGA Member's PAGA Payment is equal to the PAGA Pay Period Rate multiplied by his or her individual PAGA Pay Periods worked pursuant to the records of Defendants.

26. PAGA Pay Periods. "PAGA Pay Periods" means the number of pay periods credited to a PAGA Class Member during the PAGA Period (for the Settled PAGA Claims), as determined by Defendants' records and as only subject to revision pursuant to this Agreement.

27. Parties. "Parties" shall mean Plaintiffs, individually on behalf of themselves and on behalf of all Class Members and PAGA Members and interests of the LWDA, and Defendants.

28. Preliminary Approval Order. "Preliminary Approval Order" is the Order entered and filed by the Court that preliminarily approves the terms and conditions of this Agreement, including approval of the Parties' Agreement that specifies the content of notice and manner in which notice will be provided to the Class and responded to by the Class, substantially in the form attached hereto as "**Exhibit C**".

29. Released Parties. "Released Parties" means Defendants and their respective present and former parents, owners, subsidiaries, and any affiliated or related persons or entities , and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns, or legal representatives and any individuals or entities working in concert with the foregoing.

30. Settlement. "Settlement" shall refer to the agreement of the Parties to settle the claims as set forth and embodied in this Agreement.

31. Settlement Administrator. "Settlement Administrator" or "SA" shall mean ILYM Group, Inc. or such other neutral administrator as chosen by the Parties and approved by the Court (see paragraph 58a).

32. Settled Claims. "Settled Claims" means all causes of action and claims, charges, complaints, liens, demands, that were alleged in the Action, or reasonably could have been alleged based on the allegations, the facts, statutory citation and/or legal theories contained in the operative complaint, including all of the following claims for relief: (a) failure to pay minimum wages, regular wages and/or overtime pay (including any theory of failure to pay any and all wages for all time worked, including but not limited to sick pay); (b) failure to provide or pay premium payments for meal periods; (c) failure to provide or pay premium payments for rest periods; (d) failure to reimburse business expenses; (e) failure to provide complete and accurate wage statements; (f) failure to pay wages upon termination; (f) violations of the California Business & Professions Code §§ 17200 *et seq*. These claims include, but are not limited to, California Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802 and all related provisions of the California Code of Regulations, the California Industrial Wage Orders, and the California Business & Professions Code sections 17200 *et seq*. The release of the foregoing claims, extends to all theories of relief regardless of whether the claim is, was or could have been alleged as separate claims, causes of action, lawsuits or based on other theories of relief, or different right or duty of an alleged statute, whether under federal law, state law or common law (including, without limitation, as violations of the California Labor Code, the Wage Orders, applicable regulations, and California's Business and Professions Code section 17200 as it relates to alleged violations of the California Labor Code). "Settled Claims" includes all types of relief available for the above-referenced claims, including, without limitation, any claims for damages, restitution, losses, penalties, fines, liens, attorneys' fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages. "Settled Claims" expressly excludes all claims for wrongful termination, unemployment insurance, disability, social security, and workers' compensation or claims based on facts occurring outside the Class Period.

33. Settled PAGA Claims. "Settled PAGA Claims" or "PAGA Claims" means all claims for PAGA Penalties alleged in the Action, which Plaintiffs or the State of California or any PAGA Members have had, now have against the Released Parties or any of them for any or all claims alleged in the Complaint for civil PAGA penalties based on the allegations, facts, statutory citation and/or legal theories contained in the operative complaint, under California's Private Attorney General Act or PAGA (California Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*), including but not limited to the following claims listed in the Action: Violations of California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, and 2804, Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant to California Labor Code Section 2699.5 which occurred during the PAGA Period. "Settled PAGA Claims" includes all types of relief available for the above-referenced claims under the PAGA which occurred during the PAGA Period.

34. Settlement Class/Settlement Class Member(s). "Settlement Class Member" means all Class Members other than those who have timely and validly submitted Opt Out Requests and thereby excluded themselves from releasing Settled Claims from the Settlement.

35. Settlement Payment. "Settlement Payment" means a payment pursuant to a Settlement Class Member's pro rata allocation of the NSA as specified in paragraph 54.

36. Settlement Proceeds Distribution Deadline. "Settlement Proceeds Distribution Deadline" means a date that is fourteen (14) days after the Funding Payment has been made by Defendants to the SA based on the schedule explained in paragraph 64 of this Agreement.

37. Updated Address. "Updated Address" means a mailing address that was updated by a reasonable address verification measure of the SA or by an updated mailing address provided by the United States Postal Service for a Class Member or PAGA Member.

38. Workweek Rate and Pay Period Rate. "Workweek Rate" for the Settled Claims shall mean the amount yielded from dividing the Net Settlement Amount by the total of all Workweeks Worked credited to all Settlement Class Members during the Class Period.

Each Settlement Class Member's settlement payment is equal to his or her individual Workweeks Worked during the Class Period and multiplied by the Workweek Rate. Therefore, the amount of each Settlement Class Member's Individual Settlement Payment is tied to the number of Workweeks Worked that each Settlement Class Member worked for Defendants in the State of California in comparison to all Workweeks Worked by all Settlement Class Members in the State of California during the Class Period. Similarly, for the Settled PAGA Claims, "Pay Period Rate" shall mean the amount yielded from dividing the PAGA Allocation by the total of all Pay Periods worked credited to all PAGA Members during the PAGA Settlement Period.

39. Workweeks Worked. A "Workweek Worked" means the number of calendar workweeks credited to a Class Member during the Class Period,as determined by Defendants' records and as only subject to revision pursuant to this Agreement.

RECITALS

40. On December 29, 2023, Plaintiff Robert Perez filed a complaint in the instant Action with the following causes of action: (1) unfair competition; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to provide meal periods; (5) failure to provide rest breaks; (6) failure to provide expense reimbursements; (7) failure to provide accurate, itemized wage statements; and (8) failure to provide wages due. On March 8, 2024, Plaintiff Robert Perez filed a First Amended Complaint ("FAC"), which included all eight original causes of action and added a ninth cause of action for violations of the PAGA statute. On December 23, 2024, Plaintiff Robert Perez filed a Second Amended Complaint ("SAC"), which added Plaintiff Troy Gear as a second named plaintiff.

41. Plaintiff Robert Perez submitted an LWDA letter on December 29, 2023, alleging the same claims as the complaint.

42. Defendants filed an Answer to the complaint and denied all allegations and claims asserted therein. Defendants deny that they engaged in any misconduct in connection with their wage-and-hour practices and that they have any liability or engaged in wrongdoing of any kind associated with the claims alleged in the Action, including any Settled PAGA Claims. Defendants further contend that they have complied at all times with both federal and state wage-and-hour laws,

and all other laws regulating the employer-employee relationship that relate to the employment of Plaintiffs and the Class and PAGA Members.

43. Defendants and Class Counsel, on behalf of Plaintiffs and the Class and aggrieved employees, attended mediation with Tripper Ortman, Esq. on January 29, 2025. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms-length negotiations between the Parties supervised by an experienced employment law mediator. The Parties agree that the Agreement is entered into in good faith as to each Class Member and PAGA Member and that the Settlement is fair, reasonable and adequate as to each Class Member and PAGA Member.

44. Class Counsel is of the opinion that this Settlement is fair, reasonable, and adequate, and in the best interest of the Class and PAGA Members and other relevant interests in light of all known facts and circumstances, including the benefits conferred by the Settlement, the risk of significant delay, the uncertainty and risk of the outcome of further litigation, the burdens of proof necessary to establish liability, defenses asserted to the merits, including but not limited to the affirmative defenses asserted as to Settlement Class Members, the risks of proceeding on any class claims and PAGA claims, including class certification, the difficulties in establishing damages and penalties, and the numerous potential appellate issues. While Defendants specifically deny any liability or wrongdoing in the Action, Defendants have agreed to enter into this Settlement to avoid the cost and business disruption associated with defending the Action. Defendants have claimed and continue to claim that the Settled Claims and Settled PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. This Agreement, made and entered into by and between the Plaintiffs (on behalf of themselves and on behalf of the Class Members and PAGA Members and interests of the LWDA) and Defendants, each with the assistance of their respective counsel or attorneys of record, is intended to fully, finally, and forever settle, compromise and discharge the Settled Claims and Settled PAGA Claims against the Released Parties, subject to the terms and conditions set forth herein.

45. Because the Class Case is pled as a class action, this Settlement must receive preliminary and final approval by the Court. Because the PAGA Case is pled as a PAGA action, this

Settlement is subject to approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis.

TERMS AND CONDITIONS OF SETTLEMENT

NOW THEREFORE, in consideration of the recitals listed above and the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth herein, the Plaintiffs, individually on behalf of themselves and on behalf of the Class Members and PAGA Members and LWDA interests, on the one hand, and Defendants, on the other hand, agree that the Action shall be, and is finally and fully compromised and settled on the following terms and conditions.

46. Non-Admission of Liability. The Parties enter into this 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 Agreement, Defendants do not admit, and specifically deny, that 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 or any other person or entity. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings, payouts or other events associated with it, shall be construed as an admission or concession by Defendants of any such violation(s) or failure(s) to comply with any applicable law by Defendants or any Released Parties. Except as necessary in a proceeding to approve, interpret or enforce the terms of this Agreement, this 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 noncompliance with, federal, state, local or other applicable law.

47. In addition, as set forth in paragraph 72, the Parties intend this Settlement to be contingent upon the preliminary and Final Approval of this Agreement; and in the event Final Approval of this Agreement is not obtained, the Parties do not waive, and instead expressly reserve,

their respective rights to prosecute and defend this Action as if this Agreement never existed in the event the Settlement is not fully and finally approved as set forth herein.

48. In the event that this Agreement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court or any other court with jurisdiction over the Action, the Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, further proceedings in this Action, except that the Court may award less than the amounts listed in paragraph 54a through 54e without impacting the validity and enforceability of this Agreement and the Parties will be returned to their respective positions prior to entering this Agreement.

49. In the event that Defendant fails to fund the Gross Settlement Amount, Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Settlement Administration Costs incurred to the date of nullification.

50. <u>Stipulation for Class Certification</u>. The Parties stipulate to the certification of this Settlement Class for purposes of this Settlement only. If, however, the Settlement does not become final for any reason, the Parties' Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, whether class certification would be appropriate in any other context in this Action.

51. <u>Release of Settled Claims</u>. As of the Effective Date, Plaintiffs and all Settlement Class Members hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all Settled Claims against any and all Released Parties. The Settlement includes a release of all Settled Claims during the Class Period by Settlement Class Members employed at any time during the Class Period.

a. The Parties agree for settlement purposes only that, because the Class Members are so numerous, it is impossible or impracticable to have each Class Member execute this Agreement. Accordingly, the Class Notice will advise all Class Members of the binding nature of the release and such notice shall have the same force and effect as if the Agreement were executed by each Class Member.

b. Plaintiffs and Class Counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged, except as set forth herein.

c. The Parties agree that this is a settlement of disputed claims not involving undisputed wages, and that Labor Code Section 206.5 is therefore inapplicable.

52. Release of Settled PAGA Claims. As of the Effective Date, Plaintiffs and all PAGA Members hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all of the Released Parties of and from any and all Settled PAGA Claims. The Settlement includes a release of all Settled PAGA Claims during the PAGA Period by PAGA Members employed at any time during the PAGA Period.

53. Individual Releases of Claims**.** In addition to the releases made by the Settlement Class Members and PAGA Members set forth in this Agreement, Plaintiffs release, as individuals and in addition to the Settled Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. The Parties understand and agree that Plaintiffs are not, by way of this release, releasing any claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiffs understand that this release includes unknown claims and that Plaintiffs are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

54. Settlement Payments and Calculation of Claims. Subject to final Court approval and the conditions specified in this Agreement, and in consideration of the mutual covenants and promises set forth herein, Defendants agree to make a payment or payments as set forth herein totaling an amount of, but not to exceed, Four Hundred Thousand Dollars and No Cents ($400,000.00)

(the "GSA"). The GSA shall fully satisfy Defendants' obligations for any and all payments, fees and costs identified in the Agreement, including, but not limited to, any payments to be made to the Plaintiffs, Settlement Class Members, PAGA Members, the LWDA, Class Counsel's attorneys' fees and out-of-pocket litigation expenses and costs, and settlement administration costs. Other than employer-side payroll taxes and the Escalator Clause, in no event shall Defendants be required to pay any amounts above the GSA under this Settlement and this Agreement. The Parties agree, subject to Court approval, that the GSA shall be apportioned as follows:

a. Attorneys' Fees. Class Counsel will apply to the Court for an award of attorneys' fees of no more than 1/3 of the GSA, or $133,333.33, which shall be split 50% to JCL Law Firm, APC and 50% to Zakay Law Group, APLC. The attorneys' fees shall come from and be deducted from the GSA and paid out as set forth herein. Defendants will not oppose such application.

b. Attorneys' Costs. Plaintiffs and Class Counsel shall request approval of payment of up to but not to exceed Thirty Thousand Dollars ($30,000) in attorneys' costs, including any litigation costs, which will be deducted from the GSA and paid out as set forth herein. Defendants will not oppose such application. Attorneys' fees as specified in the preceding paragraph and costs as specified in this paragraph shall cover all claimed and unclaimed attorneys' fees, attorneys' costs and other amounts payable or awardable against Defendants for Class Counsel's work, effort or involvement in the Actions and in carrying out the Agreement and includes any and all work, effort or involvement to carry out the terms of the Agreement and as may be potentially or actually necessary or advisable to defend the Agreement and/or Settlement through appeal, or collateral attack or in any other forum or proceeding. These specified Attorneys' Fees and Costs shall be the sole payment for attorneys' fees and costs and, otherwise, the Parties and Class Members and their counsel shall bear their own fees and costs in connection with the Actions.

c. Administration Fees and Costs. Class Counsel will also apply to the Court for approval of Settlement Administration costs in an amount estimated to be up to Seven Thousand Eight Hundred Fifty US Dollars ($7,850.00), which will be deducted from the GSA. Defendants will not oppose such application. Class Counsel will specify the amount sought for such costs, up to the foregoing maximum, in Plaintiffs' motions for preliminary and Final Approval of the Settlement.

d. Plaintiff's Enhancement and General Release Payment. Class Counsel will apply to the Court for approval of an enhancement award in an amount not to exceed $20,000.00 total, to be paid as $10,000.00 to each of the two Plaintiffs, from which fifty percent (50%) shall be deemed consideration for a general release and from which fifty percent (50%) shall be for assuming the risks associated with this litigation (including for assuming the risks in the PAGA case). Defendants will not oppose such applications. The enhancement awards are included in, and shall be deducted from, the GSA.

e. PAGA Allocation and Payments. Pursuant to California Labor Code Section 2698, *et seq.*, the Parties designate $20,000.00 of the GSA to resolve any PAGA claims (including payment for Plaintiff' claims on their own behalf and on behalf of all PAGA Members for penalties under the PAGA and payment to the LWDA).

i. Defendants shall pay seventy five percent (75%) of that amount, or $15,000.00, to the LWDA and the remainder to PAGA Members. In the event the LWDA refuses to accept the above amount in full for all civil penalties to PAGA Members in connection with the civil penalty claims alleged in this Action, or in the event the LWDA or anyone on its behalf otherwise challenges the above allocation or the Settlement, the parties shall work in good faith to revise the allocation so that it is accepted.

ii. The remaining $5,000.00 shall be paid to PAGA Members by multiplying the PAGA Pay Periods Worked Rate by each individual PAGA Member's PAGA Workweeks Worked.

f. NSA. The NSA will be the amount remaining after deducting the amounts specified in paragraphs 54a through 54e above (but not deducting the amount in 54e.ii).

g. Escalator Clause: For purposes of this settlement, Defendants estimated that there were 11,500 workweeks worked by the Settlement Class Members from the beginning of the Class Period through January 29, 2025 (the "Mediation Date"). Should the actual number of workweeks for Settlement Class Members during the Class Period exceed 11,500 by more than ten percent (10%), the GSA shall be increased by the actual percentage of increased workweeks above the 10% cushion. For example, if the Settlement Class Member workweeks through the mediation exceed 11,500 by 16%, Defendants shall owe an additional amount equal to 6% of the GSA to proportionately increase the workweek rate of each Settlement Class Member due to the increase in Workweeks Worked. The additional payments in this paragraph will not be used to calculate enhancement payments (¶ 53(d)), or impact the amount of the PAGA payment (¶ 53(e)). Alternatively, Defendants shall have the option of ending the Class Period and PAGA Period on the date on which the number of workweeks equals or does not exceed 12,650 workweeks (11,500 + 10%).

h. Settlement Payments to Settlement Class Members. Only the following individuals will receive Settlement Payments under the Settlement Agreement: (1) the Plaintiffs and (2) Settlement Class Members. Settlement Payments will be calculated as follows:

i. The NSA will be divided by the total Workweeks Worked by all Settlement Class Members during the Class Period as reflected in Defendants' records. All Settlement Class Members shall be paid an amount equal to their individual Workweeks Worked during the Class Period, multiplied by the Workweek Rate. Workweeks Worked shall be determined by the SA based on data to be provided by Defendants, as may be modified by the resolution of any challenges.

ii. The Parties agree that under no circumstances shall Defendants be obligated to pay any amount under this Agreement to any Class Member other than Settlement Class Members and PAGA Members. In addition, the Parties agree that in no event shall Defendants be obligated to pay more than the GSA, except for the separate payment of employer-side taxes and Escalator Clause, as provided above.

iii. The Parties acknowledge and agree that the formula used to calculate Workweeks Worked, individual Settlement Payments PAGA Pay Periods Worked and PAGA Payments does not imply that all of the elements of damages covered by the release are not being taken into account. The above formulas were devised as practical and logistical tools to simplify the payment process.

55. No Credit Toward Benefit Plans. The Settlement Payments made to Settlement Class Members and PAGA Payments made to PAGA Members under this Agreement shall not be

utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members or Class Members or PAGA Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members, Class Members and PAGA Members may be entitled under any benefit plans.

56. Taxation of Settlement Proceeds. All Settlement Payments shall be paid in a net amount after applicable employee state and federal tax withholdings, including payroll taxes, if any, have been deducted.

a. The Parties agree that twenty percent (20%) will be allocated to wages and W-2s shall be issued and forty percent (40%) of the amount distributed to each Settlement Class Member will be considered penalties and forty percent (40%) shall be allocated to interest and any other non-wage related amount, if any, and will be reported as such to each Settlement Class Member on an IRS Form 1099. The PAGA Payments to PAGA Members will be designated as payments for alleged penalties and other non-wage amounts.

b. The SA shall calculate, withhold from the Settlement Payments, and remit to applicable governmental agencies sufficient amounts, if any, as may be owed by Settlement Class Members for applicable employee taxes. The SA will issue appropriate tax forms, if required, to each such Settlement Class Member consistent with the foregoing breakdown. The SA shall also calculate and obtain from Defendants and remit to applicable governmental agencies sufficient amounts, if any, as may be owed by employers for the wage portion of the Settlement Payments.

c. All Parties represent that they have not received, and shall not rely on, advice or representations from other parties or their agents, including Class Members and PAGA Members, regarding the tax treatment of payments under federal, state, or local law. In this regard, Defendants make no representations regarding the taxability of the Settlement Payments and PAGA Payments.

d. Class Counsel will be issued an IRS Form 1099 for any fees and costs awarded bya the Court pursuant to Paragraph 54. Except as provided in Paragraph 54, each Party shall bear his, her or its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of the Actions. Class Counsel agrees that any allocation of fees between or among each of the Class Counsel or among the Class Counsel and any other attorney that may be representing Plaintiffs or the Class, if any, shall be the sole responsibility of Class Counsel. Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that no provision of this Agreement, and no written or oral communication or disclosure or other representation by Defendants and/or Released Parties is or was intended to be, nor shall be construed or be relied upon as, tax advice, and Plaintiffs, Class Members and PAGA Members shall not rely on Defendants and/or Released Parties for any tax advice with respect to the Settlement of this Actions.

e. The Plaintiffs will be issued IRS Form 1099s for any enhancement awards approved by the Court pursuant to Paragraph 54. The enhancement awards payable to the Plaintiffs shall be in addition to the Settlement Payments and PAGA Payments that they, as applicable, will receive.

57. Provisional Approval of Settlement. Plaintiffs shall file a motion in the Actions and take all other action to request that the Court enter the Preliminary Approval Order based on an agreed-upon Settlement schedule, subject to Court approval:

a. Seeking class certification on the terms set forth in this Agreement solely for purposes of class settlement;

b. Preliminarily approving the proposed Settlement and this Agreement, including the payments to the Settlement Class Members, Class Counsel, the Plaintiffs, PAGA Members, the SA, and the LWDA;

c. Preliminarily approving the appointment of the Plaintiffs as representative of the Class for settlement purposes, if not otherwise accomplished by class certification;

d. Preliminarily approving the appointment of counsel for Plaintiffs as Class Counsel;

e. Appointing and approving a SA as chosen by the Parties and approved by the Court, to administer the notice, opt-out requests, objections and Settlement Payment and PAGA Payment procedures required by this Agreement;

f. Approving the form of the Class Notice mutually agreed by the Parties;

g. Scheduling the Final Settlement Approval Hearing for consideration of Final Approval of this Agreement;

h. Requiring that any Class Members who object to the Settlement Agreement submit any objection to the SA postmarked by the end of the Exclusion Period or appear in person or by other Court approved means at the Final Approval Hearing, and that the Parties be given an opportunity to file written responses to any objection(s) with the Court;

i. Approving the procedure for Class Members to submit Opt Out Requests, and setting a date after which no Class Members shall be allowed to submit Opt Out Requests; and

j. Approving the procedure for Settlement Class Members to object to the Settlement.

Defendants shall not oppose Class Counsel's motions for preliminary approval and Final Approval of the Settlement so long as the motions and supporting papers are consistent with the terms of this Agreement. Class Counsel shall provide Defendants with an opportunity of 5 days to review, and provide comments on the motions for preliminary and Final Approval of the Settlement before the motion and supporting papers are filed with the Court. The Parties will meet and confer and agree upon the wording of the settlement packages to be sent to Class Members, as well as the proposed orders for preliminary and Final Approval before filing. Failure of the Court to grant the Preliminary Approval Order will be grounds for the Parties to terminate the Settlement and the terms of the Agreement, except that the Parties must work in good faith to comply with any changes to the Settlement proposed by the Court to the extent the changes are acceptable by both Parties, and the Court may award less than the amounts listed in paragraph subparts 54a through 54d without impacting the validity and enforceability of this Agreement.

58. <u>Notice Procedure</u>.

a. Settlement Administrator. The Parties will select ILYM Group, Inc. or a mutually agreeable third-party Settlement Administrator (or "SA") to distribute the Class Notice and the Settlement Payments and PAGA Payments and handle the tax reporting and field questions with a hotline. The SA (along with any of its agents) shall represent and warrant that it will: (a) provide reasonable and appropriate administrative, physical and technical safeguards for any personally identifiable information ("PII"), which it receives from Defendants; (b) not disclose the PII to Class Counsel, Plaintiffs, any party or third parties, including agents or subcontractors, without Defendants' consent; (c) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; (d) promptly provide Defendants with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction; and (e) continue to protect the PII upon termination of its services.

b. Class Member Data. Within thirty (30) days after filing of the Preliminary Approval Order, Defendants shall provide to the SA a list of Class Members and PAGA Members that identifies for each Class Member/PAGA Member, his/her Social Security number, last-known address, and Class Workweeks Worked and PAGA Workweeks Worked. Defendants agree to consult with the SA as required to provide the list in a format reasonably acceptable for the duties of the SA. The SA will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process.

59. Class Notice. The SA will send to each Class Member and PAGA Members by First-Class U.S. Mail the Class Notice, which includes information on how Class Members may opt out of or Object to the Settlement and a procedure by which a Class Member may challenge the number of Workweeks Worked identified on his/her Class Notice. The Plaintiffs will seek approval of language in the Class Notice in the motion for preliminary approval and will seek permission for the Parties in conjunction with the SA to be able to correct immaterial errors on these forms or other mailed materials without approval from the Court, provided the changes do not alter the preliminary approval by the Court.

a. Settlement Administrator Duties. Prior to mailing the Class Notice, the SA will update the addresses for the Class Members and PAGA Members using the National Change of Address database and other available resources deemed suitable by the SA. To the extent this process yields a different address from the one supplied by Defendants ("Updated Address"), that Updated Address shall replace the address supplied by Defendants ("Last Known Address") and be treated as the new Last Known Address for purposes of this Agreement and for subsequent mailings in particular. The Settlement Administrator shall be permitted to provide notices and communicate to the Class and PAGA Members in a format and statement to be provided to the Court, which Plaintiffs will submit in conjunction with the motion for preliminary approval and/or motion for Final Approval.

b. Notice Procedure. Within seven (7) days after receipt of the Class Data from Defendant, the SA shall send the Class Notice to each Class Member's and PAGA Member's Last Known Address or Updated Address (if applicable) via First-Class U.S. mail.

c. Exclusion Period. Class Members will have sixty (60) days from the postmark of the initial mailing of the Class Notice by the SA to submit by U.S. mail their Opt Out Requests, with proof of date of submission to be the postmark date of the completed Opt Out Request. Class Members will also have sixty (60) days to object to the Settlement by submitting a written objection **(see Exhibit B)** with the SA that sets forth the basis of the objection pursuant to paragraph 61, which the SA shall submit to the Parties within 10 days after the end of the Exclusion Period, and Class Counsel shall submit to the Court. Opt Out Requests do not apply to the Settled PAGA Claims and will not exclude PAGA Members from the release of Settled PAGA Claims.

d. SA Follow-up efforts.

i. The SA shall re-mail by First-Class U.S. mail the Class Notice returned by the Post Office with a forwarding address, and shall re-mail by First-Class U.S. mail the Class Notice to any Class Member/PAGA Member who personally provides an updated address to the SA.

ii. In the event that the first mailing of the Class Notice to any Class Member/PAGA Member is returned without a forwarding address, the SA will immediately perform skip trace(s) if necessary using social security numbers provided by Defendants and National Change of Address searches, as needed, to verify the accuracy of the addresses provided and will conduct a second round of mailings of the Class Notice by First-Class U.S. mail within an agreed number of days for those forms returned to sender. If no new information is ascertained by means of a skip trace, or if the Class Notice is returned to SA after using an address obtained from a standard skip trace, the SA will immediately perform a manual "in-depth skip trace" to locate a more recent or accurate address. If an Updated Address is identified by this method, the SA will resend the Class Notice to the Updated Address within three (3) days of identifying the Updated Address.

e. Documenting Communications. The SA shall date stamp documents it receives, including Opt Out Requests, Objections and any correspondences and documents from Class Members/PAGA Member.

f. Settlement Administrator Declaration. At least ten (10) days prior to the filing of the motion for final approval, the SA shall prepare, subject to Class Counsel's/PAGA Member's and Defendants' input and approval, a declaration setting forth the due diligence and proof of mailing of the Class Notices, the results of the SA's mailings, including tracing and re-mailing efforts, the Class Members' and PAGA Member's responses to those mailing, the full names of the Class Members who submitted Opt Out Requests, and provide additional information deemed necessary to approve the settlement.

g. SA Written Reports. Each week during the Exclusion Period, the SA shall provide the Parties with a report listing the number of Class Members that submitted Opt Out Requests and Objections. Within seven (7) days of the close of the Exclusion Period, the SA will provide a final report listing the number of Class Members who submitted Opt Out Requests or Objections.

h. SA Calculations of Settlement Payments. Within seven (7) days after resolving all challenges made by Settlement Class Members, and following the Final Approval Order, the SA shall provide to the Parties a report showing its calculation of all Settlement Payments to be made to Settlement Class Members and PAGA Members. After receiving the SA's report, Class Counsel and Defendants' counsel shall review the same to determine if the calculation of payments to Settlement Class Members/PAGA Members is consistent with this Agreement, and shall notify the SA if either counsel does not believe the calculation is consistent with the Agreement. After receipt of comments from counsel, the SA shall finalize its calculation of Settlement Payments and PAGA Payments, at least five (5) days prior to the distribution of such payments, and shall provide Class Counsel and Defendants' Counsel with a final report listing the amount of all payments to be made to each Settlement Class Member from the NSA and listing the amount of all payments to be made to each PAGA Member from the amount allocated for PAGA Payments. The SA will also provide information that is requested and approved by both Parties regarding its duties and other aspects of the Settlement and that is necessary to carry out the terms of the Settlement.

60. Requirements for Recovery of Settlement Payments.

a. Class Members. No claim form is necessary to participate in the Settlement. Unless a Class Member submits a valid and timely Opt Out Request (as described in paragraphs 14 and 60d and **Exhibit B**), a Class Member who takes no action will be a Settlement Class Member, bound by the Judgment, and will receive a payment from the NSA. All Class Members except for those who timely and validly opt out of the Settlement shall be bound by the release of Settled Claims in this Agreement. All PAGA Members shall be bound by the release of Settled PAGA Claims in this Agreement. At Defendants' option, checks in payment of amounts due to Settlement Class Members under the Settlement may contain a brief statement of waiver of Settled Claims as part of the endorsement language.

b. Late Submissions. The SA shall not accept as valid any Opt Out Request postmarked after the end of the Exclusion Period, absent agreement from both Parties or order of the Court. It shall be presumed that, if an Opt Out Request is not postmarked on or before the last day of the Exclusion Period, the Class Member did not return the Opt Out Request in a timely manner. The Court shall be the final decision maker as to the validity or lack thereof for all untimely Opt Out Requests.

c. Challenges. Class Members will have the right to challenge the number of Workweeks Worked allocated to them. The following challenge procedure will be established for the Class Member to dispute information on which his/her payment amount is based: Challenges to the number of Workweeks Worked shall be sent directly to the SA at the address indicated on the Class Notice. A Class Member challenging the number of Workweeks Worked identified may also submit documentary evidence in order to prove the number of Workweeks Worked during the Class Period. Defendants shall have the right to respond to the challenge by any Settlement Class Member. No challenge to the number of Workweeks Worked will be accepted unless sent by U.S. mail within sixty (60) days from the initial mailing of the Class Notice by the SA, with proof of date of submission to be the postmark date unless ordered by the Court. Additional time may be provided to a Class Member only upon a showing of good cause and within an amount of time determined by the SA that will not delay the distribution of Settlement Payments to other Class Members/PAGA Members and in no event beyond the date of filing of the motion for final approval. The SA will inform Class Counsel and Defendants' Counsel in writing of any timely filed challenges and will determine all such disputes after consulting with the Parties regarding the number of Workweeks Worked. Challenges will be resolved without hearing by the SA, who will make a decision based on Defendants' records and any documents or other information presented by the Class Member making the challenge, Class Counsel or Defendants. Subject to Court approval, the SA's determination is final and binding without a right of appeal. The SA will inform the Parties of its final dispositions of all such challenges.

d. Opt-Out Procedure. Unless a Class Member timely opts out of the Settlement described in this Agreement **(see Exhibit A)**, he/she shall be bound by the terms and conditions of this Agreement, and shall also be bound by the Final Judgment. A Class Member will not be entitled to opt out of the Settlement established by this Agreement unless he or she submits to the SA a request or notice of opting out via U.S. mail postmarked on or before the expiration of the Exclusion Period. The request must be in writing on an Opt Out Request and include the Class Member's name, address, date, signature, to the notice that indicates he or she "opts out" of the Settlement. Opt Out Requests do not apply to the Settled PAGA Claims and will not exclude PAGA Members from the release of Settled PAGA Claims.

i. Upon receipt of any Opt Out Request within the Exclusion Period, the SA shall review the request to verify the information contained therein, and confirm that the request complies with the requirements of this Agreement.

ii. Any Class Member who fails to submit via U.S. mail a timely, complete and valid Opt Out Request shall be barred from opting out of this Agreement or the

Settlement. The SA shall not have the authority to extend the deadline for Class Members to file a request to opt out of the Settlement absent agreement by both Parties.

iii. Class Members shall be permitted to rescind in writing their request to opt out by submitting a written rescission statement to the SA no later than the Effective Date and provided individual Settlement Payments can be recalculated to reflect the rescission.

iv. If more than five percent (5%) of the Class Members timely opt out of the Settlement, Defendants shall have the sole and absolute discretion to withdraw from this Agreement within ten (10) days after expiration of both the Exclusion Period and written notice from the SA of the final opt out rate. Defendants shall provide written notice of such withdrawal to Class Counsel. In the event that Defendants elect to so withdraw, the withdrawal shall have the same effect as a termination of this Agreement for failure to satisfy a condition of Settlement, and the Agreement shall become null and void and have no further force or effect. In the event that Defendants exercise this option, they will be solely responsible for the Settlement Administrator's costs through the date of the exercise of the option.

61. Objections to Settlement. Any Settlement Class Member may object to the Settlement. Any such objection may be submitted to the SA in writing on or before the close of the Exclusion Period. Any such written Objection shall include: (1) the full name of the Settlement Class Member; (2) address of the Settlement Class Member; (3) the basis for the objection; and (4) if the Settlement Class Member intends to appear at the Final Approval Hearing. The Parties shall be permitted to file responses to the Objection in addition to any motion for final approval documents. Settlement Class Members may also appear at the Final Approval Hearing to object. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement or appeal from the Order granting final approval and/or Final Judgment. Class Counsel shall not represent any Settlement Class Members with respect to any such objections.

62. Final Fairness Hearing, Final Approval and Final Judgment.

a. Entry of Final Judgment. At the Final Approval Hearing, Plaintiffs will request, and Defendants will concur in said request, that the Court enter a Final Judgment.

b. Motion. Plaintiffs will draft and file a motion for final approval and for approval of any attorneys' fees and costs and enhancement award in conformity with any requirements from the Court and will take other action to request the entry of Final Judgment in accordance with this Agreement. The motion for final approval and corresponding paperwork will be subject to input and approval from Defendants and the proposed judgment finally approving the Settlement shall be subject to the input from and approval by Defendants, provided that Defendants shall have 5 days from receipt to provide such input. Defendants will concur in or not object to said request that the Court enter Final Judgment finally approving this Agreement. In conjunction with the motion for final approval, Class Counsel shall file a declaration from the SA confirming that the Class Notice and related forms were mailed to all Class Members as required by this Agreement, as well as any additional information Class Counsel, with the input and approval of Defendants, deems appropriate to provide to the Court.

c. Objections. Before and/or at the Final Fairness Hearing, Plaintiffs and Defendants, through their counsel of record, may address any written objections from Class Members or any concerns from Class Members who attend the hearing as well as any concerns of the Court.

d. Order. Plaintiffs will also draft and submit a proposed Order of Final Approval and Final Judgment in the form that is consistent with this Agreement and subject to prior review, revision and approval by Defendants. The Parties shall take all reasonable efforts to secure entry of the Order of Final Approval and Final Judgment. If the Court rejects the Agreement, fails to enter the Order of Final Approval, or fails to enter the Final Judgment, even after good faith efforts by the Parties to meet and confer and remedy where agreement can be reached any perceived deficiencies in the Settlement, this Agreement shall be void *ab initio*, and Defendants shall have no obligation to make any payments under the Agreement, except for payments to the SA for services performed up to that time. The Plaintiffs will submit a proposed Order of Final Approval subject to the review and approval of Defendants that will contain provisions:

i. Wherein the Court enters Final Judgment, finding that this Agreement and Settlement is fair, just, equitable, reasonable, adequate and in the best interests of the

Class and was reached as a result of intensive, serious, and non-collusive arms-length negotiations and was achieved with the aid of an experienced mediator and in good faith as to each Class Member;

ii. Affirms that each side will bear its own costs and fees (including attorneys' fees), except as provided by the Agreement, and that Defendants shall not be required to pay any amounts other than as set forth in the Agreement and the Order of Final Approval, and in no event any amount above the GSA, except for employer-side taxes;

iii. That confirms the certification of the Class for purposes of Settlement;

iv. That finds that the Settlement Administration process as carried out afforded adequate protections to Class Members, provided the best notice practicable, and satisfied the requirements of law and due process;

v. That rejects any Objections to the Settlement;

vi. That approves the settlement of PAGA Claims consistent with the Settlement;

vii. That retains Court jurisdiction after entry of judgment to oversee administration and enforcement of the terms of the Agreement; and

viii. That requires the Parties to carry out the provisions of this Agreement.

63. <u>Post-Final Approval Requirements and Procedures</u>. Following entry of the Court's Order Granting Final Approval of Settlement and Final Judgment, the Parties will act to assure the timely execution and fulfillment of all its provisions, including, but not limited to, the following:

a. Should an appeal be taken from the Final Approval of the Settlement, all Parties will support the Order of Final Approval and Final Judgment on appeal;

b. The Parties will assist the SA as needed or requested in the process of identifying and locating Settlement Class Members entitled to Settlement Payments from the NSA and PAGA Members entitled to PAGA Payments and assuring delivery of such payments;

c. Class Counsel will assist the SA as needed or requested in completing the distribution of any uncashed checks as directed by the Court; and

d. Class Counsel will certify to the Court completion of all payments required to be made by this Settlement Agreement.

64. Payment of Settlement. Defendants will deposit the Funding Payment and the employer's side payroll taxes into an account established by the SA within 30 days of the Effective Date. In the event an appeal, writ, motion challenging the judgment or other collateral attack is made, the funds shall not be distributed until the challenge or other collateral attack is resolved in a manner that upholds the settlement in its entirety. The remittance of the Funding Payment to the SA shall constitute full and complete discharge of the entire monetary obligation of Defendants under this Agreement. No Released Party shall have any further monetary obligation or liability to Class Counsel, Plaintiffs, or Settlement Class Members under this Agreement after receipt by the SA of the Funding Payment.

a. The Parties agree that the Funding Payment will qualify as a settlement fund pursuant to the requirements of Section 468(B)(g) of the Internal Revenue Code of 1986, as amended, and Section 1.468B-1 *et seq.* of the income tax regulations. Furthermore, the SA is hereby designated as the "Administrator" of the qualified Settlement funds for purposes of Section 1.468B-2(k) of the income tax regulations. As such, all employee taxes imposed on the gross income of that settlement fund and any tax-related expenses arising from any income tax returns or other reporting documents that may be required by the Internal Revenue Service or any state or local taxing body will be paid from the Funding Payment by the SA.

b. The distribution of Settlement Payments to Settlement Class Members shall occur no later than the Settlement Proceeds Distribution Deadline. The SA shall be deemed to have timely distributed Settlement Payments if it places said payment in the mail (First-Class U.S.). When the SA receives notice from Settlement Class Members that they have not received such Settlement Payments due to changes of address or other circumstances, the SA shall be deemed to have timely distributed those Settlement Payments if (after satisfying itself that the amounts have not been received or negotiated) it re-mails the payments to the updated addresses or provides for delivery by other reasonable methods requested by such Settlement Class Members, provided that any and all requests for re-mailing shall be actually received and acknowledged by the SA before the 180-day deadline referenced in paragraphs 65 and 66 or will be deemed ineffective, and have no effect and the original mailed amount shall be deemed timely distribution of the Settlement Payment. The SA shall mail all Settlement Payments by the Settlement Proceeds Distribution Deadline. To comply with California Rules of Court, rule 3.771, settlement checks shall include the following language on the check: "A Court has approved settlement of the class action and PAGA representative actions and entered judgment for claims asserted in *Robert Perez and Troy Gear, et al. v. Go Car Wash Management Corp., et al.,* San Bernardino Superior Court Case No. CIVSB2333340." No person shall have any claim against the SA, Defendants, Class Counsel, Defendants' counsel, or any other agent designated by Plaintiffs or Defendants based upon the distribution of Settlement Payments made substantially in accordance with this Agreement or further orders of the Court.

c. The distribution of attorneys' fees, costs, and the Plaintiff's enhancement/general release awards shall occur no later than the payment date of the payment under the Settlement Proceeds Distribution Deadline. Under no circumstances shall the foregoing payments be made prior to the distribution of Settlement Payments to Settlement Class Members.

d. Upon Defendants' transfer of the Funding Payment and employer-side taxes to the SA, Defendants, the Released Parties, and Defendants' counsel shall have no further monetary liability or financial responsibility to Class Counsel or to any vendors or third parties employed by the Plaintiffs or Class Counsel in connection with the Actions.

e. Defendants shall not be obligated to make any payments contemplated by this Agreement unless and until the Court enters the Final Approval Order and Final Judgment, and after the Effective Date of the Agreement, and no amounts will be owed or payable until all appeals if taken or other collateral attacks have lapsed or have been favorably resolved in favor of the Settlement and no further challenge to the Settlement is possible.

65. Settlement Class Members who are sent Settlement Payments shall have one hundred eighty (180) days after mailing by the SA to cash their settlement checks.

66. If such Settlement Class Members do not cash their checks within that period, those checks will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one hundred and eighty (180) days of mailing shall, subject to Court

approval, be distributed pursuant to the State Controller Unclaimed Property Fund, or as otherwise directed by California Code of Civil Procedure section 384 and as ordered by the Court. The Parties agree that if the remaining funds are not able to be distributed to the State Controller Unclaimed Property Fund and if a *cy pres* fund is required, subject to Court instruction, that the SA shall forward the entire amount of any amounts remaining from uncashed checks, plus any interest that has accrued thereon, to Court Appointed Special Advocates (CASA). In such event, those Settlement Class Members will be deemed to have waived irrevocably any right in or claim to a Settlement Payment subject to their rights, if any, to recover the Settlement Payments from the Unclaimed Property Fund if ordered or otherwise will be extinguished. Settlement Class Members who fail to negotiate their check(s) in a timely fashion shall, like all Settlement Class Members who did not validly opt out of the Settlement, remain subject to the terms of the Settlement and the Final Judgment.

67. The SA shall keep Class Counsel and Defendants' counsel apprised of all distributions from the GSA. Upon completion of administration of the Settlement, the SA shall provide written certification of such completion to the Court, Class Counsel and Defendants' Counsel.

68. <u>Binding Effect of Agreement on Settlement Class Members and PAGA Members</u>. Subject to final Court approval, all Settlement Class Members and PAGA Members shall be bound by this Agreement, and Final Judgment shall be entered in the Actions. In addition, unless the Class Member opts out of the Settlement described in this Agreement, he/she shall be bound by the Court's Order of Final Approval and Final Judgment. As set forth more fully in paragraph 72, if the Court does not enter an Order of Final Approval and Final Judgment granting Final Approval of the Settlement, which becomes final, the Settlement shall become null and void, and its terms and all documents setting out its terms shall be inadmissible in further litigation of this Actions or any other case.

69. <u>Non-Interference with Opt Out Procedure</u>. The Parties and their counsel agree that they shall not seek to solicit or otherwise encourage Class Members to submit Opt Out Requests or objections to the Settlement or to appeal from the Final Judgment.

70. Waiver of Appeal. Subject to preliminary and Final Approval of this Settlement, all Class Members, except those Class Members who make timely and valid objections pursuant to the terms of this Agreement, expressly waive the right to appeal.

71. Preliminary Timeline for Completion of Settlement. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is set forth in the subsections below. This schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the Class and PAGA Members, and sets further hearings. In the event of such modification, the Parties shall cooperate in order to complete the Settlement procedures as expeditiously as reasonably practicable.

a. Preliminary Approval Hearing as permitted by the Court;

b. Defendants to provide Class Data information described in paragraph 58 b (name, address, dates of employment, etc.) no later than thirty (30) days after filing of the Preliminary Approval Order execution of this Agreement;

c. The SA to mail the Class Notice by U.S. First Class mail to Class Members and PAGA Members by approximately fourteen (14) days after receipt from Defendants of the information described in the preceding subparagraph;

d. The SA to conduct trace/search efforts and send a follow up mailing, no later than ten (10) days after initial mailing, to individuals whose Class Notice was returned as undeliverable or whose listed address is found to be inaccurate or outdated;

e. Opt Out Requests and Objections to the Settlement must be postmarked no later than sixty (60) days after the date of initial mailing of the Class Notice;

f. The SA will provide to the Parties, and to the Court as directed by the Parties, information regarding Opt Out Requests and written objections or statements of intention to object to the Settlement received from Class Members within seven (7) days of the close of the Exclusion Period;

g. Class Counsel will file a timely motion for final approval of the Settlement and a separate application for award of attorneys' fees and costs and an enhancement award to the Plaintiffs by the date set by the Court, or if no date is set, at least sixteen (16) court days prior to the scheduled Final Approval Hearing date;

h. The Parties will request a Final Approval Hearing before the Court within a reasonable time after the close of the Exclusion Period, or as soon thereafter as the Court will hear the Motion for Final Approval. After entry of the Final Approval Order and Judgment Defendants shall remit the Funding Payment to the SA.

i. Settlement Payments to Settlement Class Members, including the Plaintiffs, and payments to Class Counsel for litigation costs and expenses and awarded attorneys' fees, and the enhancement award to Plaintiffs, and payment to the LWDA shall be made by the Settlement Proceeds Distribution Deadlines by mailing of checks by First Class U.S. mail or by wire (as to Class Counsel's payments only).

72. Automatic Voiding of Agreement if Settlement Not Finalized. If for any reason the Effective Date does not occur, the Settlement shall be null and void and the orders, judgment, and dismissal to be entered pursuant to this Agreement shall be vacated; and the Parties will be returned to the status quo prior to entering this Agreement with respect to the Actions, as if the Parties had never entered into this Agreement. In addition, in such event, the Agreement and all negotiations, court orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties hereto, and evidence relating to the Agreement and all negotiations shall not be admissible or discoverable in the Actions or otherwise in any other proceeding.

73. No Injunctive Relief. The Parties agree that the Settlement does not include injunctive relief against Defendants or the Released Parties.

74. Confidentiality and Non-Disparagement.

a. Parties and their counsel will keep the Settlement confidential, through the Court's order granting the Parties' Motion for Preliminary Approval, but the Parties will be able to disclose to the Court, when and as necessary before preliminary approval, that they have reached an agreement in principle, subject to completion of a final Agreement and Court approval.

b. Following the Court's order granting the Parties' Motion for Preliminary Approval, the Parties and their counsel agree to make no comments to the media or otherwise publicize the terms of the settlement on any social media or websites, except that Class Counsel may post on its firm website: "The Firm settled a class action with an inspection company for $775,000." This shall not restrict Class Counsel from responding to inquires posed by Class Members. Further, Class Counsel may include the case name, number, and settlement information in declarations setting out their qualifications as class counsel.

c. Plaintiffs and Class Counsel agree to maintain the confidentiality of any documents produced, formally or informally, during the course of the Actions. Plaintiffs and Class Counsel agree to return to Defendants' counsel or destroy, at their option, any information designated as confidential during the course of the Actions, including but not limited to any information and/or documents provided to Class Counsel for purposes of mediation.

d. Defendants shall direct all inquiries by the Class to the SA, which shall provide general information about the lawsuit, including responding to questions about the lawsuit, by providing neutral information about the agreement consistent with the Agreement.

e. Defendants agree they will adopt a neutral reporting policy regarding any future employment inquiries related to Plaintiffs. Thus, in the event that any potential or future employers should inquire regarding Defendants' employment of Plaintiffs, they will be informed only of Plaintiff' dates of employment with Defendants, job title(s) during their employment with Defendants, and starting and final rates of pay.

75. Invalidation of Agreement for Failure to Satisfy Conditions. The terms and provisions in ¶¶ 1 through 90 of this Agreement are not mere recitals, but are deemed to constitute contractual terms. The Court may allocate less to the Plaintiffs, Class Counsel, and/or the LWDA than indicated in paragraph 54 without impacting the validity and enforceability of the Agreement. The Court may allocate less to the SA than indicated in paragraph 54 provided the actual amount spent by the SA is less than the maximum set forth in that Paragraph. Without limiting the generality of the foregoing, if this Agreement is terminated for failure to satisfy any material terms or material conditions of this Agreement:

a. Defendants shall not be obligated to create or maintain any type of settlement fund, and shall not be obligated to make any Settlement Payment to any Class Member, PAGA Member and/or any payment to Class Counsel or to the Plaintiffs.

b. The Agreement and all negotiations, Court orders and proceedings relating thereto shall be without prejudice to the rights of the Plaintiffs, PAGA Members, Class Members, and Defendants, each of whom shall be restored to their respective positions existing prior to the execution of this Agreement, and evidence relating to the Agreement and all negotiations shall not be discoverable or admissible in the Actions or any other litigation;

c. Defendants will not have waived, and instead expressly reserves, its right to challenge the continuing propriety of class certification for any purpose; and

d. To the extent one exists, the Preliminary Approval Order shall be vacated in its entirety and neither this Agreement, the Preliminary Approval Order, nor any other document in any way relating to any of the foregoing, shall be relied upon, referred to or used in any way for any purpose in connection with any further proceedings in this Action or any related action, including class certification proceedings.

76. <u>Notices</u>. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered by First-Class U.S. mail to the attorneys listed in the caption above and the SA, with additional copies to be sent via electronic mail.

77. <u>Modification in Writing</u>. This Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by the Court, and supersedes any memorandum of understandings or prior agreement(s). This Agreement may not be amended, altered, modified or waived, in whole or in part, orally. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated.

78. <u>Ongoing Cooperation</u>. Plaintiffs and Defendants, and each of their respective counsel, shall cooperate in good faith to execute all documents and perform all acts necessary and proper to effectuate and implement the terms of this Agreement, including but not limited to drafting

and submitting the Motions for Preliminary and Final Approval, and defending the Agreement and Final Judgment against objections and appeals. Plaintiffs shall, as necessary, properly and completely take all steps, including but not limited to submitting any required documents to the Labor Workforce Development Agency and take any other actions necessary to resolve the Released PAGA Claims pursuant to this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court or otherwise, to effectuate this Agreement and the terms set forth herein.

79. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

80. Binding on Successors. This Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal representatives, including the Released Parties.

81. Entire Agreement. This Agreement constitutes the full, complete and entire understanding, agreement and arrangement between Plaintiffs and the Class Members/PAGA Members on the one hand, and Defendants and Released Parties on the other hand, with respect to the Settlement of the Actions and the Settled Claims against the Released Parties, including Defendants. This Agreement supersedes any and all prior oral or written understandings, agreements and arrangements between the Parties with respect to the Settlement of the Actions and the Settled Claims against the Released Parties. Except those set forth and included expressly in this Agreement, there are no other agreements, covenants, promises, representations or arrangements between the Parties with respect to the Settlement of the Actions and the Settled Claims/Settled PAGA Claims against the Released Parties. The Parties explicitly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms, and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of this Agreement.

82. Execution in Counterparts. This Agreement may be signed in one or more counterparts. A facsimile, scanned shall be treated as an original signature for all purposes. All executed copies of this Agreement, and photocopies thereof (including facsimile or email copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original. Parties shall execute by hand with "wet" signatures.

83. Captions. The captions and section numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

84. Governing Law. This Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law rules.

85. Reservation of Jurisdiction. Notwithstanding the entry and filing of Final Judgment, the Court shall retain jurisdiction under Section 664.6 of the Code of Civil Procedure and Rule 3.769, Cal. Rules of Court, for purposes of interpreting and enforcing the terms of this Agreement.

86. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

87. Warranties and Representations. With respect to themselves, each of the Parties to this Agreement and/or their agents or counsel represent, covenant and warrant that (a) they have full power and authority to enter into and consummate all transactions contemplated by this Agreement and have duly authorized the execution, delivery and performance of this Agreement, and (b) the person executing this Agreement has the full right, power and authority to enter into this Agreement on behalf of the Party for whom he/she has executed this Agreement, and the full right, power and authority to execute any and all necessary instruments in connection herewith, and to fully bind such Party to the terms and obligations of this Agreement, except that the Parties understand that the

Plaintiffs and Class Counsel only have the power to bind Class Members to the extent this Agreement is approved by the Court.

88. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action except such proceedings necessary to implement and complete the Settlement, pending the Final Judgment and Final Settlement Approval Hearing to be conducted by the Court.

89. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel. Further, the Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement, and that after entry by the Court of the Final Judgment, Defendants, through the SA, may distribute funds to Settlement Class Members, PAGA Members, Class Counsel, and the Plaintiffs as provided by this Agreement.

90. Authorization by Plaintiffs. Plaintiffs authorize Class Counsel to sign this Agreement and further agree not to request to be excluded from the Class and not to object to any terms of this Agreement. Any such Opt Out Request or objection shall therefore be void and of no force or effect.

IT IS SO AGREED:

Dated: Oct 02, 2025

Robert Perez (Oct 2, 2025 13:54:48 PDT)

Robert Perez
Plaintiff/Class and PAGA Representative

Dated: Oct 02, 2025

Troy Gear

Troy Gear (Oct 2, 2025 20:13:42 PDT)

Troy Gear
Plaintiff/Class and PAGA Representative

Dated: October 7, 2025

Defendant Go Car Wash Management Corp.

By: William Derwin
Its: CEO

Dated: October 7, 2025

Defendant Go Car Wash California LLC

By: William Derwin
Its: CEO

Dated: October 3, 2025

JCL LAW FIRM, APC
ZAKAY LAW GROUP, APLC

Jean-Claude Lapuyade, Esq.
Sydney Castillo-Johnson, Esq.
John L. Nitti, Esq.
Shani O. Zakay, Esq.
Nicole Noursamadi, Esq.

Attorneys for Plaintiff

EXHIBIT A

Robert Perez and Troy Gear, et al. v. Go Car Wash Management Corp., et al.
San Bernardino County Superior Court
Case No. CIVSB2333340

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

To: **All persons employed by Defendants Go Car Wash Management Corp. and Go Car Wash California LLC as non-exempt employees in the State of California ("Class Members") at any time between December 29, 2019 through March 1, 2025 ("Class Period").**

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

WHY DID I GET THIS NOTICE?

You have received this Notice because Defendants Go Car Wash Management Corp. and Go Car Wash California LLC's ("Defendants") records reflect that you are or may be a class member in a pending class action entitled, *Robert Perez and Troy Gear, et al. v. Go Car Wash Management Corp., et al.,* San Bernardino County Superior Court Case No. CIVSB2333340 (the "Action"), and you may be entitled to money from the settlement of that Action.

This Notice is court approved and informs you of the terms of the agreement of the Parties to settle the claims as set forth and embodied in a Class Action Settlement Agreement ("Settlement"). This Notice explains what steps you may take to participate in, object to, or exclude yourself from the Settlement.

WHAT IS THIS ACTION ABOUT?

The Action was originally filed on December 29, 2023, and was subsequently amended to be brought on behalf of Plaintiffs Robert Perez and Troy Gear ("Plaintiffs'), and other similarly situated current and former employees of Defendants. The Action, as amended, pleads class allegation claims against Defendants for: (1) unfair competition; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to provide meal periods; (5) failure to provide rest breaks; (6) failure to provide expense reimbursements; (7) failure to provide accurate, itemized wage statements; (8) failure to provide wages due; and (9) penalties under the Private Attorneys General Act of 2004 ("PAGA"). Plaintiffs seek to recover various damages and costs and penalties, including unpaid wages, restitution (including under California Business and Professions Code section 17200 *et seq.*), interest, penalties (including under PAGA), and attorneys' fees and costs. A copy of the complaint is on file with the Court.

Defendants deny each and all of the claims and contentions alleged by Plaintiffs. Defendants believe strongly that they have multiple valid defenses to the claims and that its employees have been properly paid and treated in accordance with the law. Absent the Settlement, Defendants would contest vigorously the lawsuit. By agreeing to this Settlement, Defendants are not admitting that they have any liability. Plaintiffs believe they would prevail on the claims that are subject to the Settlement.

After engaging in formal and informal discovery and an all-day mediation before an experienced mediator, Tripper Ortman, Esq., and follow up negotiations, the Parties agreed to the Settlement, which was preliminarily approved by the trial court in the Action ("Court") on _______. Plaintiffs and Class Counsel support the Settlement.

Neither the Court nor any other fact finder has decided whether the claims brought by the Plaintiffs or Defendants' defenses are meritorious. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. Rather, the Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable and any final determination of those issues will be made at the final hearing. Defendants reserve the right, if for any reason the Settlement fails, to contest any factual or legal allegations in the Action and whether this Action should proceed as a class action.

WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. Plaintiffs Robert Perez and Troy Gear are the Class Representatives or Plaintiffs in the Action, and have asserted claims on behalf of themselves and the class. Go Car Wash Management Corp. and Go Car Wash California LLC are the Defendants. A class action allows one court to resolve all of the issues in a lawsuit for all the class members who do not choose to exclude themselves from the class.

A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file his or her own lawsuit on the same claims that were decided in the class action.

WHO IS INCLUDED IN THE SETTLEMENT CLASS?

The settlement class includes all current or former hourly-paid or non-exempt employees of Defendants who worked for Defendants within the State of California ("Class Members") at any time between December 29, 2019 through March 1, 2025 ("Class Period"), other than those who opt out (as discussed below).

WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

Defendants will pay a maximum "Gross Settlement Amount" in the amount of Four Hundred Thousand Dollars and No Cents ($400,000.00) in exchange for: the release by Settlement Class Members of Settled Claims (defined below) against it and Released Parties (defined below); final judgment on the Action; and the other terms set forth in the Settlement. Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- <u>Individual Settlement Allocation:</u> $_______ shall be allocated to Settlement Class Members and referred to in this notice as the "Net Settlement Amount" or "NSA." Settlement Class Members who do not request to be excluded from the Settlement will receive a pro-rata share of the Net Settlement Amount automatically, which will be referred to in this notice as the "Individual

Settlement Allocation." The Individual Settlement Allocation will be calculated by dividing the number of workweeks reflected in the company's records for you during the Class Period by the total workweeks worked by all Settlement Class Members during the Class Period as reflected in company records. Workweeks worked shall be determined by the Settlement Administrator (ILYM Group, Inc.) based on data to be provided by Defendants, as may be modified by the Settlement Administrator's or Court's resolution of any challenges.

- Your estimated individual payment is:
  - Individual Settlement Allocation $_______.
  - Individual PAGA Allocation $_______.

Settlement Class Members who do not request to be excluded from the Settlement will be forever barred from pursuing the Settled Claims against Defendants or any other Released Parties.

- Enhancement Payment: Plaintiffs will request an award not to exceed Ten Thousand Dollars and No Cents ($10,000.00) each, in recognition of their work in this Action on behalf of the Class and a general release of all of their individual claims.

- Attorney's Fees and Expenses Payment: Class Counsel (listed below) will seek a total amount of money not to exceed $133,333.33 (1/3 of the Gross Settlement Amount) to be paid in accordance with the Settlement for any and all attorney's fees and Thirty Thousand US Dollars ($30,000.00) in costs and expenses relating to the Action.

- Settlement Administration: The cost of settlement administration will not exceed Seven Thousand Eight Hundred Fifty US Dollars ($7,850.00), which pays for tasks such as translating and mailing this Notice, mailing checks and tax forms, reporting to the parties and the Court, and tracking submitted requests for exclusions.

- PAGA Penalty Payment: Pursuant to California Labor Code Section 2698 *et seq.,* known as the Private Attorney General Act or "PAGA", the Parties designate $20,000.00 of the Gross Settlement Amount as payment for Plaintiffs' claims on their own behalf and on behalf of all employees for penalties under the PAGA. Defendants shall pay seventy-five percent (75%) of that amount, or $15,000.00, to California's Labor & Workforce Development Agency ("LWDA"). The remaining $5,000.00 shall be divided among allegedly aggrieved employees and you will not be able to opt out or exclude yourself from this portion of the settlement.

WHAT AM I RELEASING UNDER THE SETTLEMENT?

Unless you timely exclude yourself from the class (as discussed below), you on behalf of yourself and your respective heirs, executors, administrators, personal representatives, successors and assigns irrevocably and unconditionally forever and fully release (and covenant not to sue or otherwise pursue claims, whether known or unknown, against) any and all Released Parties from any and all Settled Claims.

"Released Parties" means Defendants and their respective present and former parents, owners, subsidiaries, and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns, or legal representatives and any individuals or entities working in concert with the foregoing.

"Settled Claims" means all causes of action and claims, charges, complaints, liens, demands, that were alleged in the Action, or reasonably could have been alleged based on the allegations, the facts, statutory citation and/or legal theories contained in the operative complaint, including all of the following claims for relief: (a) failure to pay minimum wages, regular wages and/or overtime pay (including any theory of failure to pay any and all wages for all time worked, including but not limited to sick pay); (b) failure to provide or pay premium payments for meal periods; (c) failure to provide or pay premium payments for rest periods; (d) failure to reimburse business expenses; (e) failure to provide complete and accurate wage statements; (f) failure to pay wages upon termination; (f) violations of the California Business & Professions Code §§ 17200 *et seq*. These claims include, but are not limited to, California Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802 and all related provisions of the California Code of Regulations, the California Industrial Wage Orders, and the California Business & Professions Code sections 17200 *et seq*. The release of the foregoing claims, extends to all theories of relief regardless of whether the claim is, was or could have been alleged as separate claims, causes of action, lawsuits or based on other theories of relief, or different right or duty of an alleged statute, whether under federal law, state law or common law (including, without limitation, as violations of the California Labor Code, the Wage Orders, applicable regulations, and California's Business and Professions Code section 17200 as it relates to alleged violations of the California Labor Code). "Settled Claims" includes all types of relief available for the above-referenced claims, including, without limitation, any claims for damages, restitution, losses, penalties, fines, liens, attorneys' fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages. "Settled Claims" expressly excludes all claims for wrongful termination, unemployment insurance, disability, social security, and workers' compensation or claims based on facts occurring outside the Class Period.

"Settled PAGA Claims" or "PAGA Claims" means all claims for PAGA Penalties alleged in the Action, which Plaintiffs or the State of California or any PAGA Members have had, now have against the Released Parties or any of them for any or all claims alleged in the Complaint for civil PAGA penalties based on the allegations, facts, statutory citation and/or legal theories contained in the operative complaint, under California's Private Attorney General Act or PAGA (California Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*), including but not limited to the following claims listed in the Action: Violations of California Labor Code Sections 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199, 2802, and 2804, Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant to California Labor Code Section 2699.5 which occurred during the PAGA Period. "Settled PAGA Claims" includes all types of relief available for the above-referenced claims under the PAGA which occurred during the PAGA Period.

WHAT DO I NEED TO DO TO RECEIVE AN INDIVIDUAL SETTLEMENT ALLOCATION?

To receive your Individual Settlement Allocation, you do not need to do anything. You must, however, notify the Settlement Administrator of any change in your name, mailing address and/or telephone number. It is your responsibility to keep the Settlement Administrator informed of any such change, as your Individual Settlement Allocation will be mailed to the address on file.

Once you receive your Individual Settlement Allocation, you shall have One Hundred and Eighty (180) calendar days after mailing by the Settlement Administrator to cash your Settlement checks. If you do not cash your check within that period, your check will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within One Hundred and Eighty (180) days of mailing shall be delivered to the State Controller's Office Unclaimed Wage Fund or as otherwise directed by the Court.

Neither Defendants, nor any Released Party offers tax advice regarding this Settlement. You may consider contacting an accountant and/or tax attorney to determine the appropriate amount of taxes that should be paid on your Individual Settlement Allocation. Payments awarded to you will not form the basis for additional contributions to or benefits under any benefit plans, policies or bonus programs that may exist and/or be offered to you through, by or in conjunction with Defendants or any other Released Party.

WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the Settlement other than the release of PAGA claims. To do so, you must fill out and submit Opt Out Form included in this packet to the Settlement Administrator at the following address: ______________________________. To be valid, the opt out form must be: (1) filled out by you; (2) signed by you; and (3) postmarked or fax stamped by [60 days after mailing date] and returned to the Settlement Administrator at the specified address or fax number. Unless you timely request to be excluded from the Settlement, you will be bound by the judgment upon final approval of the Settlement, and you will be barred from pursuing the Settled Claims. The opt out form will not impact your inclusion as to Settled PAGA Claims.

If you timely request to be excluded from the Settlement, you will not be entitled to receive any payment under the Settlement other than Settled PAGA Claims. Class Counsel will not represent your interests if you request to be excluded.

WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member (that is, Class Member who has not asked to be excluded from the Settlement) may object to the Settlement. If you object to the Settlement, you may, but you are not required to, appear at the hearing where the Court will make a final decision whether or not to approve the Settlement ("Final Approval Hearing"). Your objection will be valid so long as you submit a written objection as set forth below or appear at the Final Approval Hearing. The Final Approval Hearing is scheduled to take place on __________, 2025, at ___ a.m. in Department S24 of the San Bernardino Superior Court, located at the address below. The hearing may be continued (moved to another date) without further notice to you.

If you wish to object, you may a written objection to the Settlement Administrator at the following address: ______________________________. To be valid, the written objection must be signed by the Class Member and state: (1) the full name of the Class Member; (2) the dates of employment of the Settlement Class Member; (3) the basis for the objection; and (4) if the Class Member intends to appear at the Final Approval Hearing. A Class Member who wishes to object in writing must submit his or her objection to the Settlement Administrator no later than [60 days after mailing date]. The Parties shall be permitted to file responses to the objection in addition to any motion for final approval documents.

CLASS COUNSEL	DEFENDANTS' COUNSEL
Jean-Claude Lapuyade, Esq. JCL LAW FIRM, APC 5440 Morehouse Drive, Suite 3600 San Diego, CA 92121 Shani O. Zakay, Esq. ZAKAY LAW GROUP, APLC 5440 Morehouse Drive, Suite 3600 San Diego, CA 92121	Ian G. Robertson, Esq. LITTLER MENDELSON, P.C. 18565 Jamboree Road Suite 800 Irvine, CA 92612 **THE COURT** San Bernardino County Superior Court Department S24 247 West Third Street San Bernardino, CA 92415

The Court has decided that the law firms listed above under "CLASS COUNSEL" are qualified to represent the Settlement Class Members. However, you have the right to retain your own attorney, at your own expense, to submit an objection or appear on your behalf at the Final Approval Hearing.

Submitting an objection will *not* exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still have the right to receive an Individual Settlement Allocation and will be barred from pursuing the Settled Claims. Do not submit both an objection and request for exclusion. If you submit both a request for exclusion and an objection, you will be excluded from the class and the objection will not be considered, and you will remain part of the PAGA settlement.

WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The Settlement, if finally approved by the Court, will bind all Settlement Class Members who do not request to be excluded from the Settlement and PAGA members whether or not they receive or timely cash their Individual Settlement Allocations. Final approval of the Settlement will bar any Settlement Class Member who does not request to be excluded from the Settlement from hereafter initiating a lawsuit or proceeding regarding any Settled Claims and PAGA Members from pursuing released PAGA claims. The Class Action Settlement Agreement and Stipulation on file with the Court contains additional details about the scope of the release.

FURTHER INFORMATION

The foregoing is only a summary of the Settlement. The Settlement, pleadings and all other records of this litigation may be examined and copied any time during regular office hours in the Clerk's Office of the San Bernardino Superior Court listed above as "THE COURT." In addition, you may obtain these records on the Court's website at https://cap.sb-court.org/search and using the "Case Number Search" box. You will need to accept the terms of the Information Disclaimer, and proceed to enter the case number listed at the top of this Notice and the security code provided on the webpage.

If you have any questions about the Settlement, you can contact Class Counsel, whose contact information is listed above in "CLASS COUNSEL" or the Settlement Administrator at:

ILYM GROUP, INC. – contact info here

You may seek the advice and guidance of your own attorney at your own expense.

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

EXHIBIT 2