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FILED
Superior Court of California
County of Los Angeles

11/04/2025

David W. Slayton, Executive Officer / Clerk of Court

By: E. Martinez Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES—SPRING STREET COURTHOUSE**

JOEL SANCHEZ, individually, and on behalf
of other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act;

Plaintiff,

vs.

RALLY AUTO GROUP, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendant.

Case No. 21STCV29625

Honorable Timothy Patrick Dillon
Department 15

CLASS ACTION

**~~[REVISED PROPOSED]~~ ORDER
GRANTING PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Complaint Filed: August 11, 2021
FAC Filed: June 25, 2024
Trial Date: None Set

1 This matter came before the Honorable Timothy Patrick Dillon in Department 15 of the
2 Superior Court of the State of California, for the County of Los Angeles on October 23, 2025, at
3 10:00 a.m. for Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement.
4 *Lawyers for Justice, PC* appears as counsel for Plaintiff Joel Sanchez ("Plaintiff"), individually and
5 on behalf of other members of the general public similarly situated and other aggrieved employees.
6 *Fisher & Phillips, LLP* appears as counsel for Rally Auto Group, Inc. ("Defendant").

7 The Court, having carefully considered the papers, argument of counsel, and all matters
8 presented to the Court, and good cause appearing, hereby GRANTS Plaintiff's Motion for
9 Preliminary Approval of Class Action and PAGA Settlement.

10 **IT IS HEREBY ORDERED THAT:**

11 1. The Court preliminarily approves Class Action and PAGA Settlement Agreement
12 ("Agreement"), attached as "EXHIBIT 1" to the Declaration of Elizabeth Parker-Fawley in Support
13 of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement filed on
14 October 4, 2024 ("Settlement", "Agreement", or "Settlement Agreement"). This is based on the
15 Court's determination that the Agreement falls within the range of possible approval as fair,
16 adequate, and reasonable.

17 2. This Order incorporates by reference the definitions in the Agreement, and all
18 capitalized terms defined therein shall have the same meaning in this Order as set forth in the
19 Agreement.

20 3. It appears to the Court on a preliminary basis that the Agreement is fair, adequate
21 and reasonable. It appears to the Court that extensive investigation and research have been conducted
22 such that counsel for the parties at this time are able to reasonably evaluate their respective positions.
23 It further appears to the Court that the Agreement, at this time, will avoid substantial additional costs
24 by all parties, as well as avoid the delay and risks that would be presented by the further prosecution
25 of the case. It further appears that the Agreement has been reached as the result of intensive, serious
26 and non-collusive, arms-length negotiations, and was entered into in good faith.

27 4. The Court preliminarily finds that the Agreement, including the allocations for the
28 attorneys' fees to Class Counsel, reimbursement of litigation costs to Class Counsel (which Class

Counsel has agreed will not exceed \$30,000.00), Enhancement Award to Plaintiff, LWDA Payment to the LWDA, Administration Costs to the Administrator, and payments to the Class Members and Aggrieved Employees provided thereby, appear to be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. Indeed, the Court has reviewed the monetary recovery that is being granted as part of the Agreement and preliminarily finds that the monetary settlement awards made available to the Class Members and Aggrieved Employees are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues.

5. The Court concludes that, for settlement purposes only, the proposed Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the members of the Class with respect to the subject matter of the litigation; (c) Plaintiff's claims are typical of the claims of the members of the Class; (d) Plaintiff will fairly and adequately protect the interests of the members of the Class; (e) a class action is superior to other available methods for the efficient adjudication of the controversy; and (f) Class Counsel is qualified to act as counsel for Plaintiff in his individual capacity and as the representative of the Class.

6. The Court conditionally certifies, for settlement purposes only, the Class, defined as follows:

All current and former hourly-paid or nonexempt employees of Defendant in California employed at any time between August 11, 2017 through April 24, 2024, who did not timely opt-out of the Settlement ("Class" or "Class Member(s)").

7. The Court provisionally appoints Arby Aiwazian, Yasmin Hosseini, and Ryan Slinger of Lawyers *for* Justice, PC as counsel for the Class ("Class Counsel").

8. The Court provisionally appoints Plaintiff Joel Sanchez as the representative of the Class ("Class Representative").

9. The Court provisionally appoints ILYM, Group, Inc. ("ILYM" or "Administrator") to handle the administration of the Settlement.

1 10. Twenty-one (21) calendar days after the Court grants Preliminary Approval of the
2 Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft
3 Excel spreadsheet (“Class Data”) in conformity with the Agreement.

4 11. The Court approves, both as to form and content, the revised Notice of Class Action
5 Settlement (“Class Notice”) attached hereto as **“EXHIBIT A.”** The Class Notice shall be provided
6 to Class Members in the manner set forth in the Agreement. The Court finds that the Class Notice
7 appears to fully and accurately inform the Class Members of all material elements of the Agreement,
8 of Class Members’ right to be excluded from the Class Settlement by submitting a Request for
9 Exclusion, of Class Members’ and Aggrieved Employees’ right to dispute the Workweeks and/or
10 PAGA Pay Periods credited to each of them, and of each Participating Class Member’s right and
11 opportunity to object to the Class Settlement by submitting a written objection to the Administrator.
12 The Court further finds that distribution of the Class Notice substantially in the manner and form set
13 forth in the Agreement and this Order, and that all other dates set forth in the Agreement and this
14 Order, meet the requirements of due process and shall constitute due and sufficient notice to all
15 persons entitled thereto. The Court further orders the Administrator to send the Class Notice in
16 English to all Class Members identified in the Class Data, via first-class United States Postal Service
17 (“USPS”) mail.

18 12. The Court hereby preliminarily approves the proposed procedure, set forth in the
19 Agreement, for seeking exclusion from the Class Settlement. Any Class Member may choose to be
20 excluded from the Class Settlement by submitting a timely and valid Request for Exclusion in
21 conformity with the requirements set forth in the Class Notice, to the Administrator, postmarked no
22 later than the date which is sixty (60) calendar days after the administrator mails the Class Notice to
23 Class Members and Aggrieved Employees (“Response Deadline”), or, in the case of a re-mailed
24 Class Notice, the Response Deadline for that Class Member shall be extended by fourteen (14)
25 calendar days from the initial Response Deadline. Any such person who timely and validly chooses
26 to opt out of, and be excluded from, the Class Settlement will not be entitled to any recovery under
27 the Class Settlement and will not be bound by the Class Settlement or have any right to object,
28 appeal, or comment thereon. Nevertheless, all individuals who performed work for Defendant as

1 current and former hourly-paid or non-exempt employees of Defendant in California employed
2 between September 1, 2020 through April 24, 2024 (“Aggrieved Employees”) will be bound by the
3 PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
4 submit a Request for Exclusion. Class Members who have not submitted a timely and valid Request
5 for Exclusion (i.e., Participating Class Members) shall be bound by the Agreement and any final
6 judgment based thereon.

7 13. A Final Approval Hearing shall be held before this Court on April 9, 2026 at 10:00
8 a.m. in Department 15 of the Superior Court of California for the County of Los Angeles, located at
9 312 North Spring Street, Los Angeles, California 90012, to determine all necessary matters
10 concerning the Agreement, including: whether the proposed settlement of the action on the terms
11 and conditions provided for in the Agreement is fair, adequate, and reasonable and should be finally
12 approved by the Court; whether a judgment, as provided in the Agreement, should be entered herein;
13 whether the plan of allocation contained in the Agreement should be approved as fair, adequate, and
14 reasonable to the Class Members and Aggrieved Employees; and determine whether to finally
15 approve the requests for the Attorneys’ Fees and Costs, Enhancement Award, Administration Costs,
16 and PAGA Penalty Amount.

17 14. Class Counsel shall file a motion for final approval of the Settlement and for the
18 Attorneys’ Fees and Costs, Enhancement Award, Administration Costs, and PAGA Penalty
19 Amount, along with the appropriate declarations and supporting evidence, including the
20 Administrator’s declaration, by _____ per code _____, to be heard at the Final Approval
21 Hearing.

22 15. To object to the Class Settlement, a Participating Class Member may send written
23 objections to the Administrator, by email or mail. In the alternative, Participating Class Members
24 may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final
25 Approval Hearing. A Participating Class Member who elects to send a written objection to the
26 Administrator must do so not later than the Response Deadline.

27 16. The Settlement is not a concession or admission and shall not be used against
28 Defendant as an admission or indication with respect to any claim of any fault or omission by

Defendant. Whether or not the Settlement is finally approved, neither the Agreement, nor any document, statement, proceeding or conduct related to the Agreement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted into evidence as, received as or deemed to be in evidence for any purpose adverse to the Defendant, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendant of any liability, fault, wrongdoing, omission, concession, or damage, except for legal proceedings concerning the implementation, interpretation, or enforcement of the Agreement.

17. In the event the Settlement does not become effective in accordance with the terms of the Agreement, or the Settlement is not finally approved, or is terminated, cancelled or fails to become effective for any reason, this Order shall be rendered null and void, shall be vacated, and the Parties shall revert back to their respective positions as of before entering into the Agreement.

18. The Court reserves the right to adjourn or continue the date of the Final Approval Hearing and any dates provided for in the Agreement without further notice to the Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the Agreement.

IT IS SO ORDERED.

Dated: 11/04/2025

By



A handwritten signature in black ink, appearing to read "Timothy Patrick Dillon".

The Honorable Timothy Patrick Dillon
Judge of the Superior Court

Timothy Patrick Dillon / Judge

Escalator clause is not triggered.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Joel Sanchez v. Rally Auto Group, Inc. **Superior Court of California for the County of Los Angeles, Case No. 21STCV29625**

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action and representative action settlement has been reached between Plaintiff Joel Sanchez ("Plaintiff") and Defendant Rally Auto Group, Inc. ("Defendant") (together with Plaintiff, the "Parties") in the cases entitled *Joel Sanchez v. Rally Auto Group, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29625 (the "*Sanchez Class Action*") and Case No. 21AVCV00897 (the "*Sanchez PAGA Action*") (together, the "Actions"), for which Court approval is being sought in the *Sanchez Class Action* and which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the Settlement and scheduled a hearing on April 9, 2026 at 10:00 a.m. ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees of Defendant in California employed at any time between August 11, 2017 to April 24, 2024.

"Class Member" means a member of the Class.

"Class Period" means the period from August 11, 2017 to April 24, 2024.

"Class Settlement" means the settlement and resolution of Released Class Claims (described in Section III.D below).

"Aggrieved Employee" means all current and former hourly-paid or non-exempt employees of Defendant in California employed between September 1, 2020 through April 24, 2024.

"PAGA Settlement" means the settlement and release of Released PAGA Claims (described in Section III.D below).

"PAGA Period" means September 1, 2020 through April 24, 2024.

II. BACKGROUND OF THE ACTIONS

On August 11, 2021, Plaintiff commenced the Class Action Complaint entitled *Joel Sanchez v. Rally Auto Group, Inc.*, in the Superior Court of California for the County of Los Angeles, Case No. 21STCV29625 (i.e., *Sanchez Class Action*). On August 25, 2021, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that he contends were violated ("PAGA Letter"). On November 5, 2021, Plaintiff commenced the PAGA Action entitled *Joel Sanchez v. Rally Auto Group, Inc.*, in the Superior Court of California for the County of Los Angeles, Case No. 21AVCV00897 (i.e., *Sanchez PAGA Action*), by filing a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. On June 25, 2024 the Plaintiff filed a First Amended Consolidated Complaint in the *Sanchez Class Action*, consolidating the Class Action and PAGA Action ("Operative Complaint").

Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment, and upon termination of employment, and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, reimburse business expenses,

and thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* (“PAGA”). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant denies all the allegations in the Actions and denies that it violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Class Action and PAGA Settlement Agreement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Joel Sanchez as representative of the Class (“Class Representative”), and the following counsel as counsel for the Class (“Class Counsel”):

Arby Aiwarzian, Esq.
Yasmin Hosseini, Esq.
Ryan Slinger, Esq.
Lawyers for Justice, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you may, if you wish, request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are an Aggrieved Employee, you do not need to take any action to receive an Individual PAGA Payment and you may not request exclusion with respect to the PAGA aspects of the Settlement. Even if you request exclusion from the Class Settlement, you will still receive an Individual PAGA Payment if you are an Aggrieved Employee, and will still be bound to the PAGA Settlement and Judgment with respect to the PAGA Released Claims.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Actions have merit or that Defendant has any liability to Plaintiff, Class Members, or Aggrieved Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, Aggrieved Employees, and the State of California. The Court has made no ruling on the merits of the claims asserted in the Actions and has determined only that certification of the Class for settlement purposes may be appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Six Hundred Thousand Dollars (\$600,000.00) (the “Total Settlement Amount”). The portion of the Total Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Total Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount not to exceed 1/3 of the Total Settlement Amount (i.e., \$200,000.00 if the Total Settlement Amount remains \$600,000.00) and reimbursement of actual litigation costs and expenses, in an amount not to exceed Thirty Thousand Dollars (\$30,000.00) (together, “Attorneys’ Fees and Costs”) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff for his services in the Actions (“Enhancement Award”); (3) Settlement Administration Costs in an amount not to exceed Eleven Thousand Seven Hundred Fifty Dollars (\$11,750.00) to the Settlement Administrator (“Administration Costs”); and (4) the amount of Seventy-Five Thousand Dollars (\$75,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Penalty Amount”). The PAGA Amount will be distributed 75% (i.e., \$56,250.00) to the LWDA (“LWDA PAGA Payment”) and the remaining 25% (i.e., \$18,750.00) will be distributed to Aggrieved Employees.

Class Members are entitled to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks each Class Member was employed by Defendant as an hourly-paid or non-exempt employee within the State of California during the Class Period (“Workweeks”). Workweeks are calculated by the Settlement Administrator based on each Class Members’ employment for three (3) or more calendar days during a workweek based on their hire and termination dates (if applicable), as follows: if a Class Member’s hire date was within the Class Period was on Monday, Tuesday, or Wednesday, he or she will be credited for that Workweek (i.e. he or she worked three (3) or more calendar days during this workweek); if a Class Member’s termination date was within the Class Period was on a Wednesday, Thursday, or Friday, he or she will be credited for that Workweek (i.e. he or she worked three (3) or more calendar days during this workweek); if a Class Member’s hire and/or termination dates falls outside of the Class Period, the start and/or end dates of the Class Period shall be deemed the start and/or end dates for that Class Member.

The Settlement Administrator has divided the estimated Net Settlement Amount by the total Workweeks worked by all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to arrive at each Class Member’s estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their payment of their final Individual Settlement Payment. PAGA Employees shall be issued payment of their Individual PAGA Payments regardless of whether they request exclusion from (opt out of) the Class Settlement.

Each Individual Settlement Share will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) penalties, interest, and non-wage damages, which will be reported by the Settlement Administrator on an IRS Form 1099. Each Individual Settlement Share shall be subject to reduction for the employee’s share of payroll taxes due on the wages portion of Individual Settlement Share. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Total Settlement Amount.

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of 25% of the PAGA Penalty Amount (“Individual PAGA Payment”), based on the number of Pay Periods each Aggrieved Employee was employed by Defendant during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided the 25% portion of the PAGA Penalties attributed to Aggrieved Employees by the PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period to yield the “PAGA Pay Period Value,” and then multiplied the PAGA Pay Period Value by the number of PAGA Pay Periods worked by each individual Aggrieved Employee to determine the Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported by the Settlement Administrator on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant’s Records

According to Defendant’s records:

During the period from August 11, 2017 to April 24, 2024, you are credited as having worked [_____] Workweeks, as a Class Member.

During the period from September 1, 2020 to April 24, 2024, you are credited as having worked [_____] PAGA Pay Periods, as an Aggrieved Employee.

If you wish to Challenge the Calculation of Workweeks and/or PAGA Pay Periods credited to you, you must communicate with the Administrator via email or mail prior to the **[Response Deadline]**. The Administrator must encourage the

challenging Class Member or Aggrieved Employee to submit supporting documentation.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment

As explained above, your estimated Individual Settlement Payment and/or Individual PAGA Payment is based on the number of Workweeks and/or PAGA Pay Periods credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$ [REDACTED]. The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED].

The settlement approval process may take multiple months. Your Individual Settlement Payment and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Participating Class Members waive, release, and discharge Released Parties of any and all Released Class Claims for the Class Period.

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff, the State of California with respect to Aggrieved Employees, and all Aggrieved Employees, waive, release and discharge Released Parties of any and all Released PAGA Claims for the PAGA Period.

“Released Class Claims” means all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, in the Operative Complaint and ascertained in the course of the Litigation, including, any and all claims, actions, and causes of action, arising during the Class Period, for: (1) failure to pay overtime wages pursuant to California Labor Code sections 510, 1194, and 1198 and the IWC Wage Orders; (2) failure to provide meal periods pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage Orders; (3) failure to provide rest periods pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage Orders; (4) failure to pay all minimum wages owed pursuant to California Labor Code sections 1194, 1194.2, 1197, and 1197.1 and the IWC Wage Orders; (5) failure to pay all wages owed at termination pursuant to California Labor Code sections 201-203 and the IWC Wage Orders; (6) failure to pay all wages in a timely manner during employment pursuant to California Labor Code section 204 and the IWC Wage Orders; (7) failure to furnish accurate itemized wage statements pursuant to California Labor Code section 226(a) and the IWC Wage Orders; (8) failure to maintain adequate payroll records pursuant to California Labor Code section 1174(d) and 1174.5 and the IWC Wage Orders; (9) failure to reimburse all necessary business expenses pursuant to California Labor Code sections 2800 and 2802 and the IWC Wage Orders; and (10) violations of California Business & Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means the State of California and all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, in the Operative Complaint, based on the facts contained in the, the PAGA Notice and arising during the PAGA Period, and ascertained in the course of the Litigation for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802 and IWC Wage Orders 1-2001, 4-2001, and 16-2001.

“Released Parties” means Defendant and its divisions, affiliates, predecessors, successors, shareholders, officers, directors, employees, agents, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, joint employers, insurers, clients, customers, suppliers, and vendors.

E. Attorneys' Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to 1/3 of the Total Settlement Amount (i.e., an amount of up to

\$200,000.00, if the Total Settlement Amount remains \$600,000.00) and reimbursement of actual litigation costs and expenses in an amount of up to Thirty Thousand Dollars (\$30,000.00) (together “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs awarded by the Court will be paid from the Total Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiff, the Class Members, the Aggrieved Employees, and the State of California on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500.00), in recognition of his services in connection with the Actions (“Enhancement Award”). The Enhancement Award will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to any Individual Settlement Payment and/or Individual PAGA Payment that he may be entitled to under the Settlement.

G. Administration Costs to Settlement Administrator

Costs of administering the Settlement are estimated not to exceed Eleven Thousand Seven Hundred Fifty Dollars (\$11,750.00) (“Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and Aggrieved Employees of the Settlement, processing Requests for Exclusion, Objections, and Workweeks and/or PAGA Pay Period Challenges, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Total Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Class Claims described in Section III.D above.

If you are an Aggrieved Employee, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above. Class Members who opt-out of the Class Settlement, and who are also Aggrieved Employees, shall still be bound to the PAGA Settlement and Judgment with respect to the PAGA Released Claims.

Class Members and Aggrieved Employees will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for their own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by sending the Administrator, by email or mail, a signed writing that expresses the Class Member’s intent to be excluded from the Settlement (“Request for Exclusion”), by **no later than [Response Deadline]**. Mailed Requests for Exclusion must be sent to the following address:

[Settlement Administrator]
[Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a Request for Exclusion will be deemed Settlement Class Members,

and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All Aggrieved Employees will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion from the Class Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement, as long as you have not submitted a Request for Exclusion, by submitting a written objection to the Administrator or by presenting your objection at the Final Approval Hearing.

Participating Class Members may send written objections to the Administrator, by email or mail. All written objections must be emailed or returned by mail to the Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 15 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 N Spring Street, Los Angeles, California 90012, on April 9, 2026, at 10:00 a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs, Enhancement Award to Plaintiff, PAGA Penalty Amount, and Administration Costs to the Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement filed in the *Sanchez* Class Action and the documents filed in the Actions for a fee by visiting the civil clerk's office, located at 312 N Spring Street, Los Angeles, California 90012, during business hours, or by online by visiting the following website: <https://www.lacourt.org/>

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.