NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

Rey Pardillo v. Elma Electronic, Inc.

Superior Court of California for the County of Alameda, Case No. 24CV078295

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.

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

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiff Rey Pardillo ("Plaintiff") and Defendant Elma Electronic, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Rey Pardillo v. Elma Electronic, Inc*., Alameda County Superior Court, Case No. 24CV078295 ("Action"), which may affect your legal rights. On September 29, 2026, the Court granted preliminary approval of the settlement and scheduled a hearing on April 1, 2027 at 2:30 p.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 non-exempt employees who worked for Defendant in California at any time during the Class Period, and who reside in California.

"**Class Member**" means a member of the Class.

"**Class Period**" means the period from July 29, 2020 through May 12, 2025.

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

"**PAGA Members**" means all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period, and who reside in California.

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

"**PAGA Period**" means the time period from March 29, 2023 through May 12, 2025.

II. BACKGROUND OF THE ACTION

On March 29, 2024, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of his intent to pursue civil penalties for alleged violations of the California Labor Code ("PAGA Notice"). On June 3, 2024, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq*. in the Alameda County Superior Court, Case No. 24CV078295 ("PAGA Action"). On July 29, 2024, Plaintiff filed a Class Action Complaint for Damages in the Alameda County Superior Court, Case No. 24CV085186 ("Class Action") (collectively with the PAGA Action, the "Actions"). On July 29, 2024, Plaintiff filed an Amended letter to the LWDA and Defendant ("Amended PAGA Notice) and a First Amended Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq*. ("First Amended Complaint") in the PAGA Action. On August 11, 2025, the Court issued an Order to Consolidate the Actions, and assigning the PAGA Action as the lead action.

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 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 liability or wrongdoing of any kind associated with the claims alleged in the Actions, and further denies that the Actions are appropriate for class treatment or PAGA treatment for any purpose other than this settlement. Defendant contends that it has complied at all time with the California Labor Code and California and federal law. Defendant further contends that even if a Court were to determine that it had violated any law based

on the allegations, any violations would have been inadvertent. Accordingly, it is Defendant's position that the putative class and/or the allegedly aggrieved employees would be unable to recover any penalties that rely on willful or malicious violation of the 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 Joint Stipulation of Class Action and PAGA Settlement and Release ("Agreement," "Settlement," or "Settlement Agreement").

On September 29, 2026, 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 Rey Pardillo as representative of the Class ("Class Representative"), and the following counsel as counsel for the Class ("Class Counsel"):

Arby Aiwazian, Esq.
Yasmin Hosseini, Esq.
Ryan Slinger, Esq.
Harris Koepenick, 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 have the opportunity to 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 Class Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Member, you do not need to take any action to receive an Individual PAGA Payment.

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 PAGA Members. 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 is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount to be paid by Defendant is $900,000.00 (the "Gross Settlement Amount"). The portion of the Gross 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 Gross Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys' fees in an amount up to 35% of the Gross Settlement Amount (i.e., $315,000.00 if the Gross Settlement Amount remains $900,000.00) and reimbursement of litigation costs and expenses in an amount up to $25,000.00 ("Attorneys' Fees and Costs") to Class Counsel; (2) Enhancement Payment in an amount up to $10,000.00 to Plaintiff; (3) Settlement Administration Costs in an amount up to $7,000.00 to the Settlement Administrator; and (4) the amount of $135,000.00 allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA Amount"). The PAGA Amount will be distributed 75% ($101,250.00) to the LWDA ("LWDA Payment") and the remaining 25% (i.e., $33,750.00) will be distributed to PAGA Members ("PAGA Employee Amount").

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period ("Class Workweeks"). The Settlement Administrator has divided the estimated Net Settlement Amount by the Class Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiplied each Class Member's individual Class Workweeks during the Class Period by the Estimated Workweek Value to arrive at each Class Members' 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 payment of their final Individual Settlement Share, net of applicable taxes.

Each Individual Settlement Share will be allocated as 33.33% wages, which will be reported on an IRS Form W-2, and 66.67% penalties, interest, and non-wage damages, which will be reported 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 Gross Settlement Amount.

PAGA Members are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount ("Individual PAGA Payment"), based on the number of Workweeks each PAGA Member was employed by Defendant as a non-exempt employee in California during the PAGA Period ("PAGA Workweeks"). The Settlement Administrator has divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the total number of PAGA Workweeks of all PAGA Members during the PAGA Period to yield the "PAGA Workweek Value," and multiplied each PAGA Member's individual PAGA Workweeks during the PAGA Period by the PAGA Workweek Value to arrive at each PAGA Member's 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 100% penalties, which will be reported 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 PAGA Members 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 contact the Settlement Administrator as soon as possible and provide your corrected and/or updated mailing address to the Settlement Administrator; this will make it more likely that you will receive any payments or other notices that may be issued to you.**

B. Your Class Workweeks and/or PAGA Workweeks Based on Defendant's Records

According to Defendant's records:

From July 29, 2020 through May 12, 2025 (i.e., Class Period), you are credited with «Class_Workweeks» Class Workweeks.

From March 29, 2023 through May 12, 2025 (i.e., PAGA Period), you are credited with «PAGA_Workweeks» PAGA Workweeks.

If you wish to dispute the Class Workweeks and/or PAGA Workweeks credited to you, you must submit a written dispute ("Workweeks Dispute") that: (a) contains the case name and number of the Action (*Rey Pardillo v. Elma Electronic, Inc*., Alameda County Superior Court, Case No. 24CV078295); (b) contains your full name, signature, address, telephone number, and the last four digits of your Social Security number; (c) clearly states the number of Class Workweeks or PAGA Workweeks credited to you and what you contend is the correct number to be credited to you; (d) attaches any documentation that you have to support the dispute; and (e) is submitted to the Settlement Administrator by mail at the specified address listed in Section V.B below, postmarked **no later than January 18, 2027.**

C. Your Estimated Individual Settlement Share and Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and/or Individual PAGA Payment is based on the number of Class Workweeks and/or PAGA Workweeks credited to you. Under the terms of the Settlement:

Your Individual Settlement Share is estimated to be $«Estimated_Individual_Class_Award». The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share.

Your Individual PAGA Payment is estimated to be $«Estimated_Individual_PAGA_Award».

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

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to PAGA Members, and PAGA Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiff and the

PAGA Members.

"Released Class Claims" means all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, known or unknown, suspected or unsuspected, arising during the Class Period, that each Class Member had, now has, or may hereafter claim to have against the Released Parties that were asserted by Plaintiff in the Class Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged by Plaintiff in the Class Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged by Plaintiff in the Class Action during the Class Period, regardless of whether such claims arise under federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law. The Released Class Claims specifically include, but are not limited as follows: All claims arising under the California Labor Code and applicable IWC Wage Order(s), including but not limited to: (1) Violation of California Labor Code (Cal. Lab. Code §§ 510 and 1198) (Unpaid Overtime); (2) Violation of California Labor Code (Cal. Lab. Code § 226.7 and 512(a)) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code (Cal. Lab. Code § 226.7) (Unpaid Rest Period Premiums); (4) Violation of California Labor Code (Cal. Lab. Code §§ 1194, 1197, and 1197.1) (Unpaid Minimum Wages); (5) Violation of California Labor Code (Cal. Lab. Code §§ 201 and 202) (Final Wages Not Timely Paid); (6) Violation of California Labor Code (Cal. Lab. Code § 204) (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code (Cal. Lab. Code § 226(a)) (Non-Compliant Wage Statements); (8) Violation of California Labor Code (Cal. Lab. Code § 1174(d)) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code (Cal. Lab. Code §§ 2800 and 2802) (Unreimbursed Business Expenses); and (10) Unfair Competition (Cal. Business & Professions Code § 17200 et seq.).

"Released PAGA Claims" means any and all claims, arising during the PAGA Period against the Released Parties, for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, et seq. as well as any interest, fees, and costs available under PAGA, based on the factual allegations made by Plaintiff in the Original PAGA Notice, Amended PAGA Notice, and the PAGA Action, or allegations that Plaintiff could have alleged in the Original PAGA Notice, Amended PAGA Notice, and the PAGA Action, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of the California Labor Code, including inter alia sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders (including, inter alia, Nos. 4-2001), and any other penalties for alleged violations of the Labor Code that could otherwise be recovered pursuant to the procedures provided for in PAGA.

"Released Parties" means Elma Electronic, Inc. or any of its directors, officers, management-level employees, attorneys, insurers, and agents, whether in their individual or official capacities.

E. Attorneys' Fees and Litigation Costs to Class Counsel

Class Counsel will seek Attorneys' Fees in an amount of up to thirty five percent (35%) of the Gross Settlement Amount (i.e., an amount of up to $315,000.00 if the Gross Settlement Amount is $900,000.00) and reimbursement of litigation costs and expenses in an amount of up to Twenty-Five Thousand Dollars ($25,000.00), subject to approval by the Court. The Attorneys' Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff and Class Members 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 Ten Thousand Dollars ($10,000.00) ("Enhancement Payment"), in recognition of his services in connection with the Actions and his broader individual release and waiver of claims. The Enhancement Payment will be paid from the Gross 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 Plaintiff may be entitled to under the Settlement.

G. Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Seven Thousand Dollars ($7,000.00) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Workweeks Disputes, calculating and distributing payments, and preparing and issuing tax forms, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHEN WILL SETTLEMENT PAYMENT BE DISTRIBUTED?

Barring unforeseen circumstances, if the Court grants final approval of the Settlement, Defendant is expected to fund the Gross Settlement Amount and fund the amounts necessary to fully pay their Employer Taxes within twenty (20) calendar days of the Effective Date, and distributions of Individual Settlement Payments to Settlement Class Members and Individual PAGA Payments to PAGA Members are expected to occur within thirty (30) calendar days of the Effective Date.

"Effective Date" means the later of (a) the last day on which any appeal might be filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including expiration of any time to seek reconsideration or further review.

V. 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 release the Released Class Claims described in Section III.D above.

If you are a PAGA Member, 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 and PAGA Members 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 submitting a written request ("Request for Exclusion"), which must: (a) contain the case name and number of the Action (*Rey Pardillo v. Elma Electronic, Inc*., Alameda County Superior Court, Case No. 24CV078295); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) contain a clear written statement indicating that you seek exclusion from the Class Settlement; and (d) be sent to the Settlement Administrator, postmarked by **no later than January 18, 2027** at the following address:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

If the Court grants final approval of the Settlement, any Class Member who submits a timely and validly 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 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 PAGA Members will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will be issued an Individual PAGA Payment, regardless of whether they submit a Request for Exclusion.

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 Settlement Administrator. Alternatively, or in addition, you can present your objection orally at the Final Approval Hearing.

An objection must: (a) contain the case name and number of the Class Action (*Rey Pardillo v. Elma Electronic, Inc*., Alameda County Superior Court, Case No. 24CV078295); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal and factual support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be mailed to the Settlement Administrator at the address listed in Section V.B above, postmarked **no later than January 18, 2027**.

VI. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 17 of the Alameda County Superior Court, located at Rene C. Davidson Courthouse, 1225 Fallon Street, Oakland, California 94612, on April 1, 2027, at 2:30 p.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 to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

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

You may appear for the Final Approval Hearing in person or you may appear remotely. Please visit the Court's website for the most-up to-date information regarding how to appear remotely: https://www.alameda.courts.ca.gov/general-information/remote-appearances.

Please visit the Court's website for the most up-to-date information regarding the operations of the Court and any requirements that may apply for accessing Court facilities: https://www.alameda.courts.ca.gov/location/oakland-rene-c-davidson-courthouse.

VII. 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 and other imaged documents filed in the Action for a fee by visiting the Office of the Clerk of the Court, located at 1225 Fallon Street, Oakland, California 94612, during business hours, or online by visiting the following website: https://eportal.alameda.courts.ca.gov/?q=node/388, clicking "Case Number Search," and typing in the case number "24CV078295."

If the Court grants final approval of the Settlement, the Settlement Administrator will post the Court's order granting final approval of the settlement and judgment on its website: https://ilymgroup.com/Elma.

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: (888) 250-6810, OR YOU MAY ALSO CONTACT CLASS COUNSEL.

Pardillo v. Elma Electronic, Inc.
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

«ILYMID QR Code»

ILYM ID: «ILYMID» «Piece_Number»
«First_Name» «Last_Name»
«Address_1»
«City», «State» «Zip_Code»