

CLASS AND PAGA REPRESENTATIVE ACTION

SETTLEMENT AND RELEASE

This Class and PAGA Representative Action Settlement and Release (“Settlement”) is entered into by and between Plaintiff John Johnson (“Plaintiff”), individually, and on behalf of the Class (as defined herein) and the Aggrieved Employees, and Defendant Sun Auto Tire & Service, Inc., f/k/a GB Auto Service, Inc., (“Defendant” or “GB Auto”) (collectively the “Parties”) with regard to the following action pending in the Superior Court of California, County of San Diego entitled *John Johnson v. GB Auto Service, Inc., et al.*, Case No. 37-2022-00041423-CU-OE-CTL, subject to the terms and conditions herein and the approval of the Court.

1. DEFINITIONS

1.1 “Action” means the civil action entitled *John Johnson v. GB Auto Service, Inc., et al.*, Case No. 37-2022-00041423-CU-OE-CTL, pending in the Superior Court of California, County of San Diego.

1.2 Class Definitions:

1.2.1 “Settlement Class” or “Class” means all current and former employees of GB Auto who performed work as non-exempt employees from October 14, 2020, through the end of the Class Period. The term “Class Member(s)” refers to individual(s) who are among those included in this definition.

1.2.2 “Waiting Time Subclass” means all Class Members who were employed by GB Auto and who separated from their employment at any time from October 14, 2020, through the date of Preliminary Approval of the Settlement.

1.3 “Class Counsel” means the attorneys for the Class members, Hali M. Anderson and Vilmarie Cordero of GrahamHollis APC, 3555 Fifth Avenue, San Diego, California 92103.

1.4 “Class Counsel Attorney Fees” means the attorneys’ fees incurred and to be incurred by Class Counsel in the Action. Defendant will not object to Class Counsel’s request of Attorney’s Fees in an amount not to exceed \$650,000.

1.5 “Class Counsel’s Costs” means all costs incurred and to be incurred by Class Counsel in this Action. Defendant will not object to a reasonable request from Plaintiff’s counsel to be reimbursed for actual out-of-pocket costs not to exceed \$30,000.

1.6 “Class Notice” means the Court-approved Notice of Proposed Class Action Settlement, substantially in the form attached hereto as **Exhibit A**.

1.7 “Class Representative” or “Plaintiff” means named Plaintiff John Johnson.

1.8 “Class Representative Service Award” means the sums to be paid from the Gross Settlement Amount to Plaintiff in recognition for his efforts in obtaining the benefits of this Settlement and in exchange for a general release, which the Parties agree will not exceed \$10,000.

1.9 “Class Period” means the period from October 14, 2020, to the earlier of: (1) the date of preliminary approval of the settlement; or (2) the date upon which the total number of workweeks from October 14, 2020, forward equals 101,620 workweeks.

1.10 “Defendant” means Sun Auto Tire & Service, Inc., f/k/a GB Auto Service, Inc., and its predecessors, affiliates, subsidiaries, successors, assigns, administrators, agents, representatives, attorneys, officers, partners, owners, board members, directors, shareholders, trustees, and beneficiaries.

1.11 “Effective Date” means the date the Court grants Final Approval if there are no objections to the Settlement. If there is any objection to the Settlement, “Effective Date” means the date on which the Court’s order granting Final Approval is no longer appealable or the final resolution of any appeal in any favor of approving the Settlement.

1.12 “Final Approval” means the final formal court order and judgment signed by the Court following the Final Fairness and Approval Hearing in accordance with the terms herein, approving the Settlement.

1.13 “Final Approval Date” means the date upon which the Court enters Final Approval, after having determined that the Settlement is fair, adequate, and reasonable to the Class.

1.14 “Final Approval Hearing” means the hearing set by the Court to: (1) determine whether the Court should give Final Approval to this Settlement; (2) consider any objections made; (3) consider the request for attorney’s fees and costs submitted by Class Counsel; (4) consider the Settlement Administrator’s Fees; (e) consider the PAGA Payment to the LWDA and (5) consider the request for the Class Representative Service Award to Plaintiff.

1.15 “Gross Settlement Amount” (GSA) means the maximum gross settlement amount sum of \$1,950,000 that Defendant shall be required to pay pursuant to this Settlement on a non-reversionary basis, it shall include: (1) all Individual Settlement Payments to Class members; (2) the PAGA Payment; (3) the Class Representative Service Awards (4) Class Counsel’s Attorney’s Fees and Costs, and (5) all Settlement Administrator’s Fees. The Maximum Settlement Amount does not include Defendant’s share of all state and federal payroll taxes and withholdings such as FICA, FUTA, UI, ETT, and SDI (“Payroll Taxes”) on the portion of Individual Settlement Payments allocated to wages made pursuant to this Settlement, which will be paid separate and apart from the Maximum Settlement Amount.

1.16 “Individual Settlement Payment(s)” means the portion of the Net Settlement Amount that each Participating Class member shall be entitled to receive pursuant to this Settlement.

1.17 “LWDA” means the California Labor and Workforce Development Agency.

1.18 “Net Settlement Fund” (NSF) means the portion of the GSA available for distribution to Participating Class members after the deduction of the Court-approved (1) Class Counsel’s Attorney’s fees, (2) Class Counsel’s costs, (3) Settlement Administrator’s Fees, (4) Class Representative Service Award, and the (5) PAGA Payment from the GSA.

1.19 “Non-Participating Class Member” means a Class Member who submits a valid and timely Request for Exclusion from the Settlement.

1.20 “Objection/Request for Exclusion Deadline” means the forty-five (45) calendar days after the Settlement Administrator first mails the Notice to Class Members, by which date Class Members who wish to object to or exclude themselves from the Settlement must submit a timely and valid written objection or Request for Exclusion.

1.21 “PAGA” means the Private Attorneys’ General Act of 2004, Labor Code Sections 2698 – 2699.8.

1.22 “PAGA Employees” means all current and former employees of Defendant who performed work in California at any time during the PAGA Period. All PAGA Employees will receive their pro-rata share of the PAGA Payment regardless of whether they opt out of the Settlement.

1.23 “PAGA Period” means October 14, 2020, through the date of Preliminary Approval of the Settlement.

1.24 “PAGA Payment” means the \$50,000 payment from the GSA in exchange for the PAGA Release as defined in Section 12. The PAGA payment shall be allocated 75% to the LWDA and the remaining 25% going to the PAGA Employees as defined herein. The PAGA payment shall be considered 100% penalties.

1.25 “Participating Class Member” means a Class Member who does not submit a timely and valid Request for Exclusion and is entitled to receive his or her Individual Settlement Payment pursuant to the terms of the Settlement.

1.26 “Preliminary Approval” means the entry of an order by the Court preliminarily approving the Settlement.

1.27 “Qualified Settlement Fund” or “QSF” means the account set up by the Settlement Administrator and from which the Individual Settlement Payments to Participating Settlement Class Members shall be made.

1.28 “Qualifying Workweek” means any week in which a Participating Class Member actively worked at least one day of the week (i.e., was not on vacation or a leave of absence) in California during the Class Period, according to Defendant’s records.

1.29 “Released Parties” means Defendant, and its current and former subsidiaries, affiliates, successors, assigns, administrators, agents, representatives, attorneys, officers, partners, owners, board members, directors, shareholders, trustees, and beneficiaries.

1.30 “Releases” means all Releases under this Settlement, as further described in Section 12 below. Final approval of the Settlement and Defendant’s payment of the entirety of the GSA to the Settlement Administrator is a condition precedent for any Release under the Settlement becoming effective.

1.31 “Request for Exclusion” means a letter or written request to be excluded from the Settlement submitted by a Class Member to the Settlement Administrator and postmarked by the Objection/Request for Exclusion Deadline. The Request for Exclusion must include the Class member’s name and signature, current address, telephone number, and contain a statement to the effect of: “I wish to be excluded from the Johnson Settlement.”

1.32 “Settlement Administrator” means Apex Class Action LLC, the third-party entity selected by the Parties to mail the Class Notice to Class Members and perform all duties relating to the administration of the Settlement.

1.33 “Settlement Administration’s Costs” means the actual and direct fees and expenses reasonably incurred by the Settlement Administrator in administering the Settlement.

2. PROCEDURAL HISTORY

2.1 Plaintiff filed his PAGA representative action Complaint on October 14, 2022, in the San Diego Superior Court. Thereafter, the parties informally exchanged documents and information and agreed to mediate on a class wide basis prior to mediation.

2.2 On October 19, 2023, Defendant produced a sample of time and pay records for the years 2018 through 2023. Prior to mediation, Plaintiff was able to interview 25 class members.

2.3 The parties conducted significant investigation of the Class and PAGA claims prior to attending the mediation. On October 1, 2024, the Parties participated in a full day mediation before experienced class action mediator Tripper Ortman. During mediation, the Parties engaged in good-faith, arm’s length negotiations. At the conclusion of the mediation, the Parties resolved the Action, subject to the execution of this comprehensive Settlement and entry of Preliminary Approval by the Court.

2.4 As part of the resolution of this case, the Parties agreed to stipulate to the filing of an amended Complaint to add class claims consistent with the scope of the investigation of the claims in the Action. This Agreement resolves all claims alleged in the initial and any subsequent amended Complaint.

3. THE PARTIES’ POSITION IN THE ACTION

3.1 Defendant denies any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further denies that the Action is appropriate for class action or PAGA representative action treatment for any purpose other than this Settlement. Defendant in no way admits any violation of law or any liability whatsoever to Plaintiff and/or the Class Members, or PAGA employees, individually or collectively; all such liability being expressly denied.

3.2 Defendant contends that it complied with all applicable California laws, including, but not limited to the California Labor Code, the IWC Wage Orders and the California Business and Professions Code.

3.3 This Settlement shall not be admissible or used for any purpose in any other action or proceeding to establish or infer liability or wrongdoing on the part of Defendant. Whether or not the Effective Date occurs, neither this Settlement nor any of its terms nor the Settlement itself will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, joint employment, or damage; or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this Settlement or for Defendant to establish that a Class Member has resolved any of his/her claims released through this Settlement.

3.4 Class Counsel engaged in substantial investigation and thoroughly researched the relevant law for each of the causes of action alleged, and the defenses thereto. Class Counsel interviewed Class Members, conducted a comprehensive investigation into the facts of the Action, and reviewed and analyzed all of Defendant's applicable policies and practices, as well as the voluminous sample of time and pay records and other documents produced by Defendant.

3.5 Defendant provided to Plaintiff a sampling of additional time and payroll records from 2023-2024.

3.6 Plaintiff believes that the Action is meritorious, and that class and collective action certification is appropriate.

3.7 Class Counsel weighed the monetary benefit of the Settlement to the Class against the expense and length of continued proceedings in the trial court and potentially the appellate court that would be necessary to prosecute the Action fully against Defendant. Class Counsel also considered the uncertain outcome and risk of any further litigation, especially in a complex action such as this case. Based on the data reviewed and Class Counsel's thorough investigation and evaluation of all known facts and circumstances underlying each cause of action, including the possible risk of significant delay and uncertainty associated with litigation, and the various defenses asserted by Defendant, Class Counsel believes that the Settlement is fair, reasonable, and adequate and is in the best interest of all Class Members.

3.8 Defendant and its counsel have similarly concluded that it is desirable that the Action be settled in the manner and upon the terms and conditions set forth in this Settlement to avoid further expense, inconvenience and distraction of further legal proceedings, as well as the uncertainty of the outcome of the Action.

4. SETTLEMENT COMPONENTS

4.1 **Gross Settlement Amount (GSA).** The GSA shall consist of the non-revisionary sum of One Million, Nine Hundred and Fifty Thousand Dollars (\$1,950,000). The GSA shall be all-in with no reversion to Defendant. The GSA includes: (1) all Individual Settlement Payments

to Participating Class Members; (2) the PAGA Payment; (3) the Class Representative Service Award; (4) Class Counsel's Fees and Costs; and (5) all Settlement Administration Costs.

4.1.1 Escalator Provision. Defendant estimates there are 1267 current and former Class Members who worked about 92,382 workweeks through the date of mediation. Should the Class Members' workweeks, during the Class Period, increase beyond ten 10 percent (10%) greater than 92,382 workweeks, (i.e. 101,621 workweeks), then either (a) the Gross Settlement Sum will be increased on a pro-rata basis equal to the percentage increase in the workweeks above 10% (in other words, if the number of workweeks increases by 12%, then Defendant could elect to increase the Gross Settlement Sum by 2%); or (b) Defendant, at its sole discretion, may elect to cut off the Class Period and PAGA Period on the last day on which the workweeks do not exceed 101,620 (the "Alternate End Date").

4.1.2 Payroll Taxes. The GSA does not include the Payroll Taxes, which shall be paid by Defendant separately and apart from the GSA. The Payroll Taxes will be computed by the Settlement Administrator based on the amounts allocated as wages paid to the Participating Class Members. The Settlement Administrator shall be responsible for making all necessary payments and government filings in connection with such payments.

4.2 Net Settlement Fund (NSF). After deducting the Court-approved (1) attorney's fees and costs to be paid to Class Counsel, (2) Settlement Administrator's Fees, (3) Class Representatives Service Awards, and (5) PAGA Payment from the GSA, the remaining amount shall be the NSF, is currently estimated as follows:

GSA	\$1,950,000
Class Counsel's Fees	\$650,000
Class Counsel Costs	\$30,000
Service Award	\$10,000
Settlement Administration Costs	\$13,250
PAGA Payment	\$50,000
Net Settlement Fund Estimated	\$1,196,750

4.3 Calculation of Individual Settlement Payments. The Settlement Administrator shall have the authority and obligation to calculate the amounts of Individual Settlement Payments in accordance with the methodology set forth in this Settlement and any Orders of the Court.

4.3.1 The Class. The Parties agree that the Individual Settlement Payments will be calculated based on the respective number of Qualifying Workweeks each Participating Class Member worked during the Class Period. It shall be the duty of the Settlement Administrator to calculate the respective number of Qualifying Workweeks for each Participating Class member. Each Participating Class Member shall be entitled to a pro-rata share of the Class Allocation based on the ratio of the total number of Qualifying Workweeks that he or she worked during the Class Period to the total number of Qualifying Workweeks that all Participating Class Members worked. In addition, each Participating Class Member who is also a member of the Waiting Time Penalty Subclass will receive an allotment of six (6) additional Qualifying Workweeks. The six (6)

additional Qualifying Workweeks allotted to the Waiting Time Penalty Subclass will not be included in the total number of workweeks for purposes of the Escalator Provision.

4.3.2 Workweeks of Non-Participating Class Members will not be included in the total number of workweeks for purposes of calculating and distributing the Individual Settlement Payments to Participating Class Members

- (a) Thus, the Individual Settlement Payments shall be calculated using the formula described below:

Individual Settlement Payment = (Class Allocation) x (Participating Class Member's Qualifying Workweeks/Total No. of Qualifying Workweeks for All Participating Class Members)

- (b) Subject to approval by the court, the amounts paid to the Class members shall be classified as 10%, wages, 45% interest, and 45% statutory penalties, for tax related purposes.

4.3.3 The Waiting Time Subclass. The Waiting Time Subclass members will be each entitled to receive will be entitled to receive an allotment of six (6) additional Qualifying Workweeks. The Waiting Time Penalties allocation shall be considered 100% penalties for tax purposes.

4.3.4 The portions of the Individual Settlement Payments allocated to wages shall be reported on an IRS Form W-2, and the portion allocated to interest and/or statutory penalties shall be reported on an IRS Form 1099, if applicable. Defendant's share of payroll taxes on the amount allocated to payment of wages shall be paid separately and apart from the Gross Settlement Amount.

4.4 **Class Counsel's Attorney's Fees.** Defendant will not object to a request of attorneys' fees by Plaintiffs' counsel of up to or 1/3 of the GSA (i.e., up to \$650,000).

4.4.1 The amount paid for Class Counsel's Attorney's Fees and Costs shall constitute full satisfaction of any obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or costs in the Action incurred by any attorney on behalf of Plaintiffs and Class Members, and shall relieve Released Parties of all claims or liability to any attorney or law firm for any attorneys' fees, expenses and/or costs that may be claimed on behalf of Plaintiff and/or the Class Members.

4.4.2 If the amount awarded to Class Counsel for attorney's fees is less than the amount sought, the remainder will be retained in the NSA for distribution to Participating Class Members.

4.5 **Class Counsel's Costs.** Class Counsel will request, and Defendant agrees not to object, the reimbursement of all out-of-pocket litigation costs and expenses incurred in prosecuting the Action, in an amount not to exceed Thirty Thousand Dollars (\$30,000), which shall be paid from the GSA. If the amount awarded to Class Counsel for reimbursement of litigation costs is

less than the amount sought, the remainder will be retained in the Net Settlement Fund for distribution to Participating Class Members.

4.6 **Class Representative Service Awards and Individual Release.** Subject to Court approval and the execution of a general release in favor of the Released Parties, Plaintiff will be paid a Class Representative Service Award in an amount not to exceed Ten Thousand Dollars (\$10,000) from the GSA, in addition to his Individual Settlement Payment.

4.6.1 If the Court approves a Class Representative Service Award to Plaintiff that is less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

4.6.2 The Parties intend this payment to constitute a service payment in consideration for Plaintiff's litigation efforts, and the work and time Plaintiff put into this Action as Class Representative.

4.6.3 **Release for the Individual Plaintiff.** The Class Representative Service Award is also provided in consideration for Plaintiff's full and separate general release of any claims, liabilities, rights, demands, causes of action of every nature and description against the Released Parties regardless of whether such claims have been alleged in the Action, including any and all known or unknown claims, demands, rights, liabilities, causes of action, losses, debts, and expenses whether for wages, economic damages, non-economic damages, punitive damages, restitution, tort, contract, penalties, injunctive or declaratory relief, attorney's fees, costs, or other monies or remedies.

4.6.4 The Class Representative himself (and not on behalf of the Class or any other Class Member) shall release, acquit and discharge the Released Parties from any and all claims against the Released Parties of any kind whatsoever (upon any legal or equitable theory whether contractual, common law, constitutional, statutory, federal, state, local or otherwise), whether known or unknown, that arose, accrued or took place at any time on or prior to the date on which the full and general release is executed. Through the full and general release discussed in this Section, the Class Representative will expressly waive the benefit of Section 1542 of the California Civil Code and acknowledges the language of 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."

- 4.6.5 Because the Class Representative Service Award represents a payment to the Class Representative for services to the Class and not wages, taxes will not be withheld from the Class Representative Service Award.
- 4.6.6 Nothing in this Settlement, including, but not limited to, the release of claims provisions, will prevent Plaintiff from filing a charge or complaint with, reporting possible violations of any law or regulation, making disclosures to, and/or participating in any investigation or proceeding conducted by the United States Equal Employment Opportunity Commission, National Labor Relations Board, and/or any other federal, state or local agency charged with the enforcement of any laws, although by signing this Settlement, Plaintiff is waiving rights to individual relief based on claims asserted in such a charge or complaint, except where such a waiver of individual relief is prohibited.
- 4.6.7 The Class Representative fully supports the Settlement and believes the Settlement is fair, reasonable and adequate and in the best interest of the Class members.

4.7 **PAGA Payment.** Subject to Court approval, Fifty Thousand Dollars (\$50,000) will be allocated to cover all claims for civil penalties alleged in the Action and in consideration for the PAGA Release.

- 4.7.1 The PAGA Payment shall be allocated 75% to the LWDA, and the remaining 25% going to the PAGA Employees as defined above.
- 4.7.2 PAGA Employees shall receive a pro-rata portion of the 25% of the PAGA Payment according to their respective number of Qualifying Workweeks during the PAGA Period, as defined herein.
- 4.7.3 Every PAGA Employee will receive a PAGA settlement check regardless of whether they opt-out of any other part of the Settlement. The PAGA Employees will have 180 days to cash their checks.
- 4.7.4 Every PAGA Employee will be bound by the PAGA Release, as defined in Section 12, regardless of whether they cash their PAGA settlement check.

4.8 **Settlement Administrator's Costs:** The reasonable costs incurred by the Settlement Administrator in administering the settlement, as approved by the Court, shall be deducted from the Maximum Settlement Amount and are currently estimated not to exceed Thirty-Five Thousand Dollars (\$35,000) and shall be paid from the GSA.

5. SETTLEMENT APPROVAL

5.1 Solely for purposes of settling this Action, the Parties stipulate and agree that the prerequisites for establishing class certification have been met.

5.2 The Parties hereby agree that the formula for allocating the Individual Settlement Payments to the Class members under the terms of this Settlement is reasonable and that the individual payments provided are designed to provide an adequate, reasonable and fair settlement to the Class Members. The Parties and their respective counsel believe that the Settlement is fair, reasonable, and adequate based on their own independent investigation and evaluation, and considering all known facts, defenses, and circumstances.

5.3 The Parties and their counsel agree to the conditional certification of the Class for the sole purpose of effectuating this Settlement. Should, for whatever reason, the Settlement not become final, the fact that the Parties were willing to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in, this Action or any other legal proceeding in any jurisdiction. As is discussed elsewhere in this Settlement, Defendant expressly reserves the right to oppose class certification in this Action should the Settlement not become final.

5.4 The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including but not limited to, execution of such documents and to take such other actions as may reasonably be necessary to implement the terms of this Settlement.

5.5 Defendant agrees not to oppose Plaintiffs' Motion for Preliminary Approval unless the motion is inconsistent with the terms set forth in this Settlement.

6. SETTLEMENT ADMINISTRATION

6.1 Class Counsel has obtained multiple competing bids from potential settlement administrators. After consideration of those bids, the Parties have mutually agreed to select Apex Class Action LLC as the Settlement Administrator for this Action. The Settlement Administrator will be responsible for timely and properly calculating the Individual Settlement Payments; mailing Notice Packets, preparing and mailing settlement checks and appropriate tax documents; withholding from Individual Settlement Payments payable to all applicable payroll and employment taxes, including all federal, state, and local income taxes, and to prepare and deliver the necessary tax documentation and, thereafter, to cause the appropriate deposits of withholding taxes and informational and other tax return filing to occur.

6.2 The Settlement Administration also includes but is not limited to generation of Individual Settlement Payment checks and related tax reporting forms, checking addresses against the National Change of Address database, skip-tracing using Accurant or similar skip tracing procedures the Class members' contact information as necessary and as described herein, administration of uncashed checks, generation of checks to Class Counsel for attorneys' fees and costs and to Plaintiff for his Class Representative's Service Award, resolution of disputes concerning weeks worked, and such other duties as may be required for the administration of the Settlement.

6.3 The Settlement Administrator shall expressly agree to all the terms and conditions of this Settlement. All costs associated with administering the Settlement by the Settlement Administrator shall be compensated by the Settlement Administrator's Cost Award.

6.4 The Settlement Administrator is responsible for establishing the QSF. The QSF shall be an interest-bearing account within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, *et seq.*, at a federally insured bank that is mutually acceptable to the Parties and the Settlement Administrator. The Settlement Administrator shall serve as a Trustee of the QSF and shall act as a fiduciary with handling of all tax-related issues, reporting and payments. The Settlement Administrator shall act in a manner necessary to qualify and maintain the QSF as a Qualified Settlement Fund and the Parties shall cooperate to ensure such treatment and shall not take a position in any filing or before any tax authority inconsistent with such treatment. The Parties agree that the QSF shall be a non-reversionary fund and that under no circumstance will there be any reversion to Defendant of any of the funds from the QSF or the Maximum Settlement Amount.

6.5 The Settlement Administrator will ensure that the Individual Settlement Payments are calculated as described in this Settlement.

6.6 Class Members' settlement checks will not expire until at least 180 days after their issuance ("cashing deadline").

6.7 The Settlement Administrator will be responsible to send any residual amount of the Net Settlement Amount remaining after all Participating Class members' claims are paid resulting from any returned or uncashed checks to the California State Controller's Office in the name of the Class Member.

6.8 The Settlement Administrator will also be responsible for issuing to the Participating Class Members a form W-2 for the amount deemed "wages" and an IRS Form 1099 for the portions allocated to penalties and interest. The Settlement Administrator will inform the employer of its employer-side tax obligations and will coordinate the employer on processing such tax payments.

7. NOTICE TO THE LWDA

7.1 Plaintiff shall be responsible for submitting the settlement to the LWDA at the same time of filing the Motion for Preliminary Approval, in accordance with applicable requirements under PAGA. If the Court does not grant the Motion for Preliminary Approval and/or the Motion for Final Approval and/or if the LWDA objects to the PAGA Settlement Amount, the Parties agree to meet and confer to address the Court's and/or LWDA's concerns. If the parties are unable to agree upon a resolution, the Parties agree to seek the assistance of mediator Tripper Ortman.

8. NOTICE TO THE CLASS

8.1 Within ten (10) business days following the Court's Order Granting Preliminary Approval of Settlement, Defendant shall provide the Settlement Administrator with a list containing the names, last known addresses, last known telephone numbers, social security numbers of all Class Members, the dates of employment of each Class member who worked for

Defendant in California during the Class Period, the last date of employment for each Class member and all other information necessary for the Settlement Administrator to calculate the number of Qualifying Workweeks worked by each Class member and PAGA Employee, and to determine which Class members qualifies for the Waiting Time Subclass Allocation, (the "Class Data").

8.2 Defendant's Counsel shall meet and confer with the Settlement Administrator prior to the deadline to produce the Class Data to ensure that the format of the database will be acceptable to the Settlement Administrator. The Settlement Administrator shall not share the Class Data with anyone except as otherwise provided herein.

8.3 Prior to mailing the Notice Packet to Class members, the Settlement Administrator shall perform a National Change of Address (NCOA) search and an Accurint (or substantially similar) in-depth skip trace to obtain the best possible address for Class members.

8.4 Within fourteen (14) calendar days after receipt of the Class Data from Defendant, the Settlement Administrator shall mail the Class Court-Approved Notice Packet to all Class members by first-class U.S. mail.

8.5 The envelope containing the Notice Packet shall bear the following phrase in bold type, "**RETURN SERVICE REQUESTED.**" The envelope shall also bear the following phrase in the bottom left-hand corner: **IMPORTANT- GB AUTO CLASS ACTION SETTLEMENT INFORMATION. PLEASE OPEN IMMEDIATELY.**

8.6 Content of the Class Notice.

8.6.1 The Class Notice will include an estimated calculation of the Class members' estimated share of the Net Settlement Amount.

8.6.2 The Class Notice shall provide that Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion to the Settlement Administrator postmarked by the Objection/Request for Exclusion Deadline—forty-five (45) calendar days following the initial mailing of the Class Notice.

8.6.3 The Class Notice shall also inform any Class member who properly requests exclusion that they will not receive an Individual Settlement Payment and will not be bound by this Settlement or have any right to object, appeal, or comment thereon.

8.6.4 The Class Notice will also inform Class members who do not submit a valid and timely Request for Exclusion that they shall be bound by the terms of the Settlement and any judgment entered in the Action once the Settlement receives Final Approval.

8.6.5 The Class Notice shall provide that Class members who wish to object to the Settlement must file their written objection with the Court by the Objection/Request for Exclusion Deadline as well as mail a copy of their

written objection to the Settlement Administrator postmarked no later than the Objection/Request for Exclusion Deadline.

8.7 Undeliverable Notices.

8.7.1 If a Class Notice is returned as undeliverable with a forwarding address provided by the United States Postal Service on or by the Objection/Request for Exclusion Deadline, the Settlement Administrator will promptly resend the Class Notice to that forwarding address along with a brief letter stating that the recipient of the Class Notice has until the original deadline set forth on the Class Notice, or ten (10) calendar days after the date of re-mailing of the Class Notice (whichever is later) to object or submit a Request for Exclusion. If any Class Notice is returned from any mailing and/or re-mailed, the Settlement Administrator will note for its own records and notify the Parties' Counsel of the date of such re-mailings as part of a weekly status report provided to the Parties.

8.7.2 If a Class Notice is returned as undeliverable without a forwarding address from its first mailing, the Settlement Administrator shall undertake reasonable efforts to locate a current address, including performing an Experian (or substantially similar) in-depth skip trace or mass search on LexisNexis databases based on set criteria. If the Settlement Administrator obtains a more current address, the Settlement Administrator shall resend the Class Notice to that address along with a brief letter stating that the recipient of the Class Notice has until the original deadline set forth on the Class Notice or ten (10) calendar days after the date of re-mailing of the Class Notice (whichever is later) to submit a Request for Exclusion. No further action by the Settlement Administrator shall be required regarding undeliverable Class Notices.

8.8 The Settlement Administrator shall provide the Parties' Counsel with a weekly report showing: (1) the number of Class Notices mailed to Class members; (2) the number of Class Notices returned as undeliverable; (3) the number of re-mailed Class Notices; (4) the number of Class members who have submitted Requests for Exclusion; (5) the number of Class members who have submitted objections; and (6) the number of Class members who have disputed the number of Qualifying Workweeks being credited to that Class member. Additionally, the Settlement Administrator shall provide the Parties' Counsel with any updated reports regarding the administration of the Settlement as needed or requested.

8.9 At least twenty eight (28) calendar days prior to the Final Approval Hearing, the Settlement Administrator will provide a declaration specifying the due diligence the Settlement Administrator has undertaken with regard to the mailing of the Class Notice, including any attempts to obtain valid mailing addresses for and re-mailing of any returned Class Notice; verifying its Settlement Administrator's Fees; and reporting on the number of objections and exclusions submitted by Class members, as well as any disputes (and explain the status of the disputes).

9. RESPONSES TO THE CLASS NOTICE

9.1 Resolution of Dispute. If a Class member wishes to dispute the number of Qualifying Workweeks stated in the Class Notice, the Class member must notify the Settlement Administrator no later than the Objection/Request for Exclusion Deadline—45 calendar days from the mailing of the Class Notice or ten (10) calendar days after the date of re-mailing of the Class Notice (whichever is later).

9.1.1 The Class member must produce any available supporting evidence to the Settlement Administrator regarding the correct number of Qualifying Workweeks that the Class member contends worked for Defendant during the relevant period, as explained in the Class Notice.

9.1.2 The Settlement Administrator will notify the Parties' Counsel of any disputes via email. Defendant shall review its records and provide information to the Settlement Administrator in response to any such disputes. Defendant's records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class member and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

9.2 Requests for Exclusion from Class. Any Class member who wishes to validly exclude himself or herself from the Settlement must send a Request for Exclusion to the Settlement Administrator, postmarked or faxed by no later than forty five (45) calendar days after the date the Settlement Administrator initially mails the Class Notice to the Class members or ten (10) calendar days after the Settlement Administrator re-mails the Notice to the Class member, whichever is later (the "Request for Exclusion Deadline").

9.2.1 The date of the initial mailing of the Class Notice was postmarked shall be conclusively determined according to the records of the Settlement Administrator. Any Class member who timely and validly submits a Request for Exclusion will not be entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this Settlement, and will not have any right to object to the Settlement or appeal the Court's Orders in this case.

9.2.2 The Settlement Administrator will provide the Parties with the number of valid and timely Request for Exclusion letters received within seven (7) calendar days after the Objection/Exclusion Deadline.

9.3 Objections to Settlement: Any Class member who wishes to object to this Settlement, or any term of it, must not submit a Request for Exclusion letter.

9.3.1 The Class member must file their objection with the Court by the Objection/Request for Exclusion Deadline as well as mail a copy of their written objection to the Settlement Administrator postmarked no later than the Objection/Request for Exclusion Deadline (or ten (10) days after the

Settlement Administrator re-mails the Notice to the Class member, whichever is later), unless the Court orders otherwise.

9.3.2 The Settlement Administrator shall send any objections it receives to Defense Counsel and Class Counsel within three (3) business days of receipt. The Court retains final authority with respect to the consideration and admissibility of any Class member objections.

9.4 The timeliness of a Class Member's Request for Exclusion or written objection shall be determined based on the postmarked date of mailing.

9.5 Encouragement of Class Members. The Parties to this Settlement and the counsel representing such Parties shall not, directly or indirectly, through any person, encourage or solicit any Class member to exclude himself or herself from this Settlement or to object to it. However, Class Counsel, Defense Counsel, and Defendant may respond to inquiries from Class members with truthful information and nothing that discourages participation.

10. SETTLEMENT FUNDING AND DISTRIBUTION

10.1 **Settlement Funding Dates:** Defendant shall deposit into the QSF the entire GSA, plus any applicable payroll taxes, within seven (7) calendar days after the Effective Date.

10.2 **Settlement Disbursement Date:** No later than seven (7) calendar days after Defendant funds and deposits the entirety of the GSA into the QSF, the Settlement Administrator shall disburse: (a) Individual Settlement Payments to Participating Class Members; (b) the Class Representatives' Service Award; (c) the portion of the PAGA Payment to be made to the LWDA and to the PAGA Employees; (d) the Settlement Administrator's Costs; and (e) Class Counsel's Attorney's Fees and Costs, all as previously approved by the Court.

10.3 The Settlement Administrator shall provide written and signed certification of the completion of the Settlement Disbursement procedures to Class Counsel and Defendant's Counsel within 250 calendar days from the Settlement Disbursement Date if no re-distribution is necessary, or 250 calendar days from the date any re-distribution required under the Settlement is completed. Class Counsel shall file that written certification with the Court.

11. DISPOSITION OF RETURNED AND UNCASHED CHECKS

11.1 This is a non-reversionary "all-in" settlement. No unclaimed amounts will revert to Defendant.

11.2 If any Individual Settlement Payments are returned as undeliverable, the Settlement Administrator will take all steps necessary to locate an updated mailing address for the Class member, including without limitation, using Experian (or substantially similar) in-depth skip-trace. In the event the Settlement Administrator is unable to locate an updated address, or the Individual Settlement Payments are returned as undeliverable after a second mailing, the amount of any returned checks shall return to the Net Settlement Fund.

11.3 Settlement Checks will not expire until at least 180 days after their issuance. Any funds from any uncashed checks shall return to the Net Settlement Fund.

11.4 Any residual amount of the Net Settlement Amount remaining after all Participating Class members' claims are paid resulting from any returned or uncashed checks shall be sent to the California State Controller's Office in the name of the Class Member.

12. RELEASES

12.1 **PAGA Release.** Upon funding of the GSA, all PAGA Employees will release the Released Parties of all claims and damages arising under Private Attorneys' General Act of 2004 ("PAGA") based on the facts alleged in the operative Complaint, which includes the Amended Complaint filed as part of this settlement, and the PAGA Notice and ascertained in the course of the Action.

12.2 **Class Claims Release.** Upon funding of the GSA, all Participating Class Members (i.e., those who did not timely submit a Request for Exclusion) release any and all claims and damages arising from any of the facts alleged in Plaintiff's operative Complaint during the Class Period for damages or that could have been raised in the operative Complaint (including any amended Complaint, filed as part of this Settlement) and ascertained in the course of the Action, including without limitation Defendant's alleged violation of the California Business and Professions Code sections 17200, *et seq.* for, inter alia, failure to provide compliant meal periods and/or timely pay premiums; failure to provide rest periods and/or timely pay premiums; failure to timely pay all minimum, regular, and overtime wages; failure to provide separate rest period compensation for nonproductive work; failure to provide accurate itemized wage statements; failure to reimburse for business expenses; and failure to pay all wages due during and upon separation of employment.

13. VOIDING THE AGREEMENT

13.1 If the Effective Date does not occur, this Settlement and any of the related negotiations or proceedings shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. All Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither agreed to nor filed with the Court. The fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Action as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court in a non-settlement context in this Action or any other action. Defendant expressly reserves the right to challenge the propriety of class certification in the Action for any purpose if the Effective Date does not occur.

13.2 Defendant may void the Settlement if more than five percent (5%) of the Class Members submit a timely and valid Request for Exclusion. If an employee opting out this settlement has contractually released all the claims alleged in this lawsuit as part of a prior settlement, said employee will not count toward the threshold necessary to void this settlement. Defendant must exercise this right within ten (10) business days after the Settlement Administrator has provided Defendant with the total number of Class Members who timely submitted a valid

Request for Exclusion. If Defendant chooses to terminate the settlement pursuant to this provision, Defendant shall be responsible for all costs of claims administration incurred as of the termination date.

14. MISCELLANEOUS PROVISIONS

14.1 All of Defendant's own legal fees, costs, and expenses incurred in this Action shall be borne by Defendant.

14.2 The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

14.3 The signatories hereto represent that they are fully authorized to enter into this Settlement and bind the Parties to the terms and conditions herein.

14.4 The Parties have cooperated in the negotiation and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Settlement.

14.5 Employment Verification/Neutral Reference. In the event that Plaintiff Johnson instructs potential prospective employers to contact Defendant Sun Auto Tire & Service, Inc., f/k/a GB Auto Service, Inc., or its predecessors, affiliates, subsidiaries, successors, assigns, administrators, agents, representatives, attorneys, officers, partners, owners, board members, directors, shareholders, trustees, and beneficiaries for an employment reference, Defendant shall provide only a neutral reference which will consist of Plaintiff Johnson's name, dates of employment, and position held.

14.6 Mutual Full Cooperation: The Parties agree to fully cooperate with each other to accomplish the terms of the Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of the Settlement. The Parties shall use their best efforts, including all efforts contemplated by the Settlement and any other efforts that may become necessary by order of the Court to effectuate the Settlement, and the terms set forth herein. In the event the Parties are unable to reach a Settlement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of the Settlement, the Parties shall seek the assistance of the Court to resolve such disagreement.

14.7 No Admission: Nothing contained herein, nor the consummation of the Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has agreed to the Settlement with the intention of avoiding further disputes and litigation with the attendant risk, inconvenience and expenses. This Settlement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408 and/or any other similar law, be inadmissible as evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or interpret or enforce the Settlement.

14.8 Construction: The Parties agree that the terms and conditions of the Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this

Settlement shall not be construed in favor of or against any of the Parties by reason of the extent to which any Party participated in drafting the Settlement.

14.9 Headings: The descriptive heading of any section or paragraph of this Settlement is inserted for convenience of reference only and does not constitute a part of this Settlement and shall not be considered in interpreting this Settlement.

14.10 Representation by Counsel: The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and that this Settlement has been executed with the consent and advice of counsel.

14.11 No Reliance on Representations: The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Settlement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Settlement, or with respect to any other matters. No representations, warranties, or inducements have been made to any party concerning this Settlement.

14.12 Jurisdiction of the Court: Except for those matters to be resolved by the Settlement Administrator as expressly stated, any dispute regarding the interpretation or validity of this Settlement, or relating to the Action or the Released Claims, shall be subject to the exclusive jurisdiction of the Court, and Plaintiffs, Class members, and Defendant agree to submit to the personal and exclusive jurisdiction of the Court. The Disposition entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. The Court shall retain jurisdiction solely with respect to the interpretation, implementation and enforcement of the terms of this Settlement and all orders, judgments entered in connection therewith, and post-judgment matters. After entry of the Final Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of: (i) enforcing this Settlement, (ii) addressing any claims administration matters that may arise; and (iii) addressing such post-Judgment matters as may be appropriate under court rules or applicable law.

14.13 California Law Governs: All terms of this Settlement and exhibits hereto shall be governed by and interpreted according to the laws of the State of California, regardless of its conflict of laws.

14.14 Invalidity of Any Provision: The Parties request that before declaring any provision of this Settlement of Settlement invalid, the Court shall first attempt to construe its provisions valid, consistent with applicable precedents, and to define all provisions in this Settlement valid and enforceable, to the fullest extent possible.

14.15 Amendment or Modification: This Settlement may be amended or modified only by a written instrument signed by the Parties or their successors-in-interest.

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

14.17 Counterparts and Fax/Electronic Signatures: This Settlement may be executed in counterparts by facsimile, or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this agreement. A fax scanned signature on this Settlement shall be as valid as an original signature.

14.18 Entire Agreement: This Settlement and exhibits hereto constitute the entirety of the Settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties, and this Settlement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of prior agreements or proposals. The Parties expressly recognize that California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a) 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 will modify, vary or contradict the terms of the Settlement. In case of any conflict between text contained in Sections 1 through 14 of this Settlement and text contained in the Exhibits to this Settlement, the former (*i.e.*, Sections 1 through 14) shall be controlling, unless the Exhibits are changed by or in response to a Court order. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Settlement other than those expressly set forth or referred to herein.

14.19 No Prior Assignments: The Parties and the Parties' Counsel represent 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 liability, claim, demand, action, cause of action or right released and discharged in this Settlement of Settlement.

14.20 Binding on Successors and Assigns: This Settlement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties to this Settlement.

14.21 Deadlines Falling on Weekends or Holidays: To the extent that any deadline set forth in this Settlement falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.

IT IS SO AGREED.

4/22

Dated: _____, 2025

PLAINTIFF:

DocuSigned by:

F2BCC4D6516C4F2...

JOHN JOHNSON

Dated: _____, 2025

DEFENDANT:
SUN AUTO TIRE & SERVICE, INC.,
f/k/a GB AUTO SERVICE, INC.

By: _____
(Authorized Representative of Defendant)

APPROVED AS TO FORM AND CONTENT:

Dated: April 23, 2025

CLASS COUNSEL:
GRAHAMHOLLIS, APC

By: *Vilmarie Cordero*
GRAHAM S.P. HOLLIS
VILMARIE CORDERO
HALI M. ANDERSON

Dated: _____, 2025

DEFENDANT'S COUNSEL:
KLINEDINST, PC

By: _____
THOMAS E. DAUGHERTY

Dated: April 30, 2025

DEFENDANT:
SUN AUTO TIRE & SERVICE, INC.,
f/k/a GB AUTO SERVICE, INC.

By: Paul Brooker
(Authorized Representative of Defendant)

APPROVED AS TO FORM AND CONTENT:

Dated: _____, 2025

CLASS COUNSEL:
GRAHAMHOLLIS, APC

By: _____
GRAHAM S.P. HOLLIS
VILMARIE CORDERO
HALI M. ANDERSON

Dated: April 30, 2025

DEFENDANT'S COUNSEL:
KLINEDINST, PC

By: Thomas E. Daugherty
THOMAS E. DAUGHERTY

EXHIBIT A

[FOR USE OF SETTLEMENT ADMIN ONLY]

NOTICE OF SETTLEMENT OF CLASS AND PAGA ACTION

If you were employed by SUN AUTO TIRE & SERVICE, INC., F/K/A GB AUTO SERVICE, INC. as a non-exempt employee at any time from October 14, 2020, to [preliminary approval date] you are a Class Member eligible to receive money from this Settlement.

The Court authorized this notice.

This is not a lawsuit against you, and you are not being sued.

This is not a solicitation from a lawyer.

YOUR OPTIONS UNDER THE CLASS SETTLEMENT ARE:

DO NOTHING	<p>RECEIVE YOUR PAYMENT AND RELEASE THE CLASS CLAIMS ALLEGED IN THE ACTION – Your payment will automatically be sent to you.</p> <p>Your Individual Settlement Payment is estimated to be \$. [INCLUDE WAITING TIME PENALTIES ALLOCATION IF APPLICABLE].</p> <p>The actual amount you may receive may be different and will depend on different factors. For an explanation on how your payments were calculated please see Section ----- below.</p>
REQUEST EXCLUSION	<p>OPT-OUT OF THE SETTLEMENT. YOU NEED TO SEND A REQUEST FOR EXCLUSION LETTER: If you exclude yourself from the Settlement, you get NO Settlement payment, and you will not release any of the Class Claims. You must submit a valid Request for Exclusion, the process for which is described in Section ----- below.</p>
OBJECT TO THE SETTLEMENT	<p>If you believe the terms of the Settlement are unfair or unreasonable, then you may notify the Settlement Administrator that you object. You may also appear at the Final Approval Hearing on [DATE OF HEARING] to object, the process for which is described in Section ---- below. If you wish to Object, you cannot send a Request for Exclusion Letter.</p>

PLEASE READ THIS NOTICE CAREFULLY

YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR NOT

CLASS NOTICE

1. Why did I get this notice?

Sun Auto Tire & Service, Inc., f/k/a GB Auto Service, Inc., (“Defendant” or “GB Auto”) records show that you worked for GB Auto as a non-exempt employee at some point between October 14, 2020, through [preliminary app. date].

2. What is this proposed Settlement about?

Plaintiff John Johnson a former employee of Defendant, filed a representative action Complaint on October 14, 2022, in the San Diego Superior Court entitled John Johnson v. GB Auto Service, Inc., et al., Case No. 37-2022-00041423-CU-OE-CTL (the Action”). Plaintiff alleges Defendant committed various California Labor Code violations. Among other things, Plaintiff claims Defendant failed to pay for all hours worked for the time its non-exempt employees spent working off-the-clock; failed to provide compliant rest and meal periods; failed to pay rest or meal premium wages when a meal or rest period was not provided; failed to provide accurate wage statements, and further failed to pay all earned and owed wages to its non-exempt employees timely upon separation of employment.

Throughout the litigation, GB Auto has denied—and continues to deny—the factual and legal allegations in the Action and denies any wrongdoing or liability. GB Auto asserts that it has fully complied with all of its legal obligations, including that it timely and properly paying for all the hours its non-exempt employees worked.

On October 1, 2024, the parties participated in a mediation with experienced mediator Tripper Ortman and agreed to enter into this Class Action and Representative Action Settlement that resolves all the claims Plaintiff alleged in the Action.

3. Why is there a Settlement?

The Court did not hold a trial to decide in favor of Plaintiff or Defendant. The Court has made no ruling on the merits of Plaintiff’s or the Class Members’ claims. The Court’s decision to certify the Class is for Settlement purposes only, it is not a predictor that Plaintiff or the Class would ultimately prevail on the merits of the Action, on a class action basis or otherwise.

All parties agreed to the Settlement because they believe it is fair, reasonable, and adequate under the circumstances. Plaintiff thinks his claims have merit and that he would have been successful at trial. On the other hand, GB Auto denies all liability and believes that Plaintiff would not have won anything at trial. The parties negotiated this settlement to avoid the risks and uncertainties of continued litigation and agree that the Settlement is advantageous to all parties considering all those risks and uncertainties.

4. Who is included in the Settlement?

You are a member of the Class if you performed work as a non-exempt employee at any time from October 14, 2020, through [INSERT date of Preliminary Approval of the Settlement] (the Class Period).

You are a member of the Waiting Time Subclass if you separated from employment with Defendant at any time from October 14, 2021, through [INSERT date of Preliminary Approval of the Settlement].

CLASS NOTICE

You are a PAGA Employee, and entitled to a portion of the PAGA Payment, if you work as a non-exempt employee from October 14, 2020 through [INSERT date of preliminary approval] (the PAGA Period). All PAGA Employees will receive their pro-rata share of the PAGA Payment regardless of whether they opt out of the Settlement.

5. What does the Settlement Provide?

GB Auto agreed to pay \$1,950,000 (the “Gross Settlement Amount” or “GSA”) to settle the Action.

The Settlement Administrator will distribute and make the following payments from the GSA:

- Settlement Administration Costs: For its work administering the Settlement, the Settlement Administrator will charge an amount currently estimated not to exceed \$13,250.
- Class Representative Service Awards: Plaintiff John Johnson is requesting \$10,000 in recognition for his efforts in obtaining the benefits of this Settlement and in exchange for a broader general release.
- Attorney’s Fees and Costs: Class Counsel will request a payment up to 1/3 of the Gross Settlement Amount, or an amount not to exceed \$650,000, for payment of Class Counsel’s attorney’s fees. Class Counsel will also seek reimbursement of reasonable litigation costs, not to exceed \$30,000. Class Members are not personally responsible for paying Class Counsel’s attorney’s fees or costs.
- PAGA Payment: \$50,000 will be allocated to cover all claims for civil penalties alleged in the Action. The PAGA Payment shall be allocated 75% to the California Labor & Workforce Development Agency (“LWDA”), and the remaining 25% is going to the PAGA Employees, who will receive a pro rata share depending on their number of workweeks worked during the PAGA period.

The Net Settlement Amount, which is the amount left-over after the Settlement Administrator makes the payments listed above, will be distributed among all Participating Class Members in accordance with their respective workweeks worked during the Class Period (October 14, 2020 through preliminary approval date).

The Net Settlement Sum is estimated as follows:

GSA	\$1,950,000
Class Counsel’s Fees	\$650,000
Class Counsel Costs	\$30,000
Service Award	\$10,000
Settlement Administration Costs	\$13,250
PAGA Payment	\$50,000
Net Settlement Fund Estimated	\$1,196,750

CLASS NOTICE

6. How will my payment be calculated?

The Net Settlement Amount (NSA), currently estimated in \$1,196,750, will be allocated among all Class Members who do not opt out of the Settlement.

The Class. Class Members will be allocated 85% of the NSA, currently estimated at \$1,017,237.50. If you are a Class Member (Section 3 of this Notice), you will receive a pro rata portion of the NSA based upon the number of Qualifying Workweeks that you worked during the Class Period as a non-exempt employee compared to the total number of Qualifying Workweeks that all other Participating Class Members worked during the Class Period. Qualifying Workweeks include any weeks a Class Member worked at least one day of the week and was not on vacation or a leave of absence. Workweeks of Class Members who exclude themselves from the Settlement will not be included in the total number of Workweeks for purposes of the Settlement Administrator's calculation and distribution of Individual Settlement Payments to Participating Class Members.

The Waiting Time Penalties Subclass Members. The Waiting Time Penalties Subclass will be allocated 15% of the NSA, currently estimated at \$179,512.50. If you are a former employee of Defendant who qualifies for a Waiting Time Penalties Subclass Payment (Section 3 of this Notice), you and all other Participating Waiting Time Penalties subclass members will receive an equal amount of the Waiting Time Subclass Allocation.

7. How much will I receive?

Defendant's records show that you are a member of the Class [and INSERT WAITING TIME PENALTIES SUBCLASS IF APPLICABLE]. Defendant's records show you worked a total of [INSERT Number] Qualifying Workweeks as a non-exempt employee during the Class Period. This means you will receive a settlement amount that is currently estimated to be: \$[est. amount] less applicable taxes and payroll deductions. (You may have worked additional Workweeks for Defendant prior to the Class Period or in an exempt position, but those Workweeks are not included for purposes of this Settlement).

<<[INSERT FOR WTP SUBCLASS MEMBERS ONLY]>> Defendant's records also show that you are a member of the Waiting Time Penalties Subclass, which means you are entitled to receive \$[est. amount] as a waiting time penalty, in addition to any amounts referenced above.

Defendant's records also show that you are a PAGA Employee, which means you are entitled to receive \$[est. amount] in addition to any amounts referenced above, as part of the PAGA Payment. You will receive your pro-rata share of the PAGA Payment regardless of whether you opt out of the Settlement.

Only if the Settlement receives final approval by the Court, the Settlement Administrator will send you your Individual Settlement Payments.

Please Note: The actual amount of your Individual Settlement Payment may increase or decrease based on several factors, including, but not limited to, the number of individuals who decide to exclude themselves from the settlement.

The Settlement Administrator will calculate all types of Settlement Payments to Participating Class Members. In the event there is a dispute regarding any type of Settlement payment calculation, the Settlement Administrator appointed by the Court will make the final decision regarding its resolution.

CLASS NOTICE

If you believe in good faith that your total number of Workweeks listed above is incorrect, you must contact the Settlement Administrator as soon as possible and provide documentation that you believe demonstrates that this number is incorrect and authorize the Settlement Administrator to review your records and related documents.

A Class Member challenging the total number of Workweeks bears the burden of proof. If the Class Member fails to provide written documentation supporting a different number of Workweeks, the Settlement Administrator will have his or her dispute denied. The total number of your Workweeks listed above is presumed to be correct unless the documents you submit (such as wage statements and paystubs) demonstrate otherwise.

If you intend to challenge the total number of Workweeks listed above, your dispute letter and supporting documents must be mailed to the Settlement Administrator postmarked no later than <<45 calendar days from mailing>> at the designated address for the Settlement Administrator. The Settlement Administrator will review the pertinent records showing the total number of Workweeks that you worked during the Class Period, which Defendant has agreed to make available for this purpose and make a determination. If you do not provide any documents or other evidence to support your challenge, the Settlement Administrator will reject it.

8. When do I get my payment?

The Settlement will become Effective the date the Court enters the Final Approval Order and Judgment if there are no objections to the Settlement (Effective Date). Defendant will deposit the entirety of the Gross Settlement Amount into the account set up by the Settlement Administrator no later than seven (7) calendar days after the Effective Date.

No later than seven (7) calendar days after Defendant deposits the entirety of the Gross Settlement Amount, the Settlement Administrator will disburse: (a) the Individual Settlement Payments to Participating Class Members; (b) the Class Representative Service Awards; (c) the PAGA Payment; (d) the Settlement Administrator's Costs; and (e) Class Counsel's Fees and Costs. Once the Settlement Administrator mails you your Individual Settlement Payment check, you must cash your check within 180 calendar days from the date the check is mailed.

***Any checks that are returned as undeliverable or remain uncashed 180 calendar days after mailing or remailing will be cancelled, and the funds will be sent to the California State Controller's Office in the name of the Class Member.**

To check on the progress of the Settlement, you may call the Settlement Administrator at [TPA Number] or contact Class Counsel at (833) 300-2667.

9. What am I giving up if I participate in the Settlement and stay in the Class?

Class Claims Release. Unless you exclude yourself from the Class, you will remain a Class Member, which means you will not be able to sue or be part of any other lawsuit against Defendant about the legal issues in this case. Upon funding of the GSA, all Participating Class Members (i.e., those who did not timely submit a Request for Exclusion) release any and all claims and damages arising from any of the facts alleged in Plaintiff's operative Complaint during the Class Period for damages or that could have been raised in the operative Complaint (including any amended Complaint, filed as part of this Settlement), including Defendant's alleged violation of the California Business and Professions Code sections 17200, et seq. for, inter alia, failure

CLASS NOTICE

to provide compliant meal periods and/or timely pay premiums; failure to provide rest periods and/or timely pay premiums; failure to timely pay all minimum, regular, and overtime wages; failure to provide separate rest period compensation for nonproductive work; failure to provide accurate itemized wage statements; failure to reimburse for business expenses; and failure to pay all wages due during and upon separation of employment.

PAGA Release. Upon funding of the GSA, all PAGA Employees will release the Released Parties of all claims and damages arising under Private Attorneys' General Act of 2004 ("PAGA") based on the facts alleged in the operative Complaint, which includes the Amended Complaint filed as part of this settlement.

10. How do I exclude myself from the California Class Claims Settlement?

To exclude yourself from the Settlement, you must send a letter by mail to the Settlement Administrator with the following sentence, or something similar, stating: "I wish to be excluded from the Settlement of the case entitled *John Johnson v. GB Auto Service, Inc.*, et al., Case No. 37-2022-00041423-CU-OE-CTL. You must also include your full name (and former names, if any), current address, telephone number, the last four digits of your Social Security Number, and you must sign the written statement.

You must mail your Request for Exclusion no later than <<45 calendar days from mailing>> to the Settlement Administrator at the following address:

Settlement Administrator
c/o <<TPA>>
<<address>>

11. How do I Object to the Settlement?

If you are a Class Member and you wish to object to the Settlement, you may either submit a written objection to the Settlement Administrator no later than <<45 calendar days from mailing>> or object at the Final Approval Hearing. You may object at the Final Approval Hearing even if you do not submit a written objection.

Your objection cannot ask the Court to order a larger Settlement. The Court can only approve or deny the Settlement. If the Court rejects your objection, you will still be bound by the terms of the Settlement. If you choose to object to the Settlement, you may enter an appearance at the Final Approval Hearing in propria persona (meaning you choose to represent yourself), or through an attorney that you hire and pay for yourself.

If submitting an objection, include your full name (and former names, if any), address, telephone number, your signature, the last four digits of your Social Security Number, and the factual basis for the objection with any supporting legal arguments, documents, or evidence to be submitted to the Court.

You can mail or fax your objection to the Settlement Administrator no later than <<45 calendar days from mailing>>. The Settlement Administrator's address is:

Settlement Administrator
c/o <<TPA>>
<<address>>

CLASS NOTICE

12. Do I have a lawyer in this case?

The Court appointed Hali M. Anderson and Vilmarie Cordero, of GrahamHollis APC to serve as Class Counsel and represent you and other Class Members. Class Counsel may be reached at:

GRAHAMHOLLIS, APC
3555 Fifth Avenue,
San Diego, CA 92103
Telephone: (833) 300-2667
Facsimile: (619) 692-0822

You will not be charged for their services. Instead, Class Counsel will request to be compensated directly from the Gross Settlement Amount, as discussed above. **If you want to be represented by your own lawyer, you may hire one at your own expense.**

13. When is the Final Approval Hearing?

The Court will hold a Final Approval Hearing to decide whether to grant final approval of the Settlement. You may attend this hearing, and you may ask to speak, but you do not have to. Class Counsel will appear at the hearing to advocate for the approval of the Settlement.

The Court will hold a Final Approval Hearing at <<time>> a.m./p.m. on <<date>> in Courtroom -----, before Judge [REDACTED] of the U.S. District Court for the Northern District of California, located at [REDACTED]. At this hearing, the Court will make a final decision as to whether the Settlement is fair, reasonable, and adequate. If you or other Class Members object to the Settlement, the Court will consider the objections. The Judge will listen to people who have asked to speak at the hearing. At or after the hearing, the Court will decide whether to grant final approval of the Settlement.

14. Do I have to Appear at the Final Approval Hearing?

No, you do not have to attend the Final Approval Hearing, but you are welcome to come at your own expense.

15. How do I get more information?

This Notice only summarizes the Settlement. You may view a complete copy of the Settlement Agreement and many other of the papers filed in this lawsuit, online at the Settlement Administrator's Website at: www.----- You may also reached the business office, during regular business hours at:

Office of the Clerk
Superior Court of California, County of San Diego
ADDRESS---

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT, THE JUDGE, OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT