

SUPERIOR COURT OF CALIFORNIA
COUNTY OF ALAMEDA

MARLENE TORRES WELLS, SELWYN WARD,
 CARL LEUNG, and CARRIE SINAI, individually
 and on behalf of all others similarly situated,

Plaintiff,

v.

AUTOLAND, LLC, and DOES 1 to 25,
 Defendants.

Case No. RG17880284

**NOTICE OF PENDENCY OF CLASS
 ACTION AND PROPOSED SETTLEMENT**

To: All current and former Sales Consultants who have worked for Defendant Autoland, LLC (“Defendant” or “Autoland”) in California during the time period of October 26, 2013 through July 22, 2020. Collectively, these employees will be referred to as “Settlement Class Members.”

**PLEASE READ THIS NOTICE CAREFULLY
 YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

**YOU ARE HEREBY ADVISED TO KEEP THE CLAIMS ADMINISTRATOR, CPT GROUP,
 INC., APPRISED OF ANY CHANGES TO YOUR ADDRESS AND/OR OTHER CONTACT
 INFORMATION TO HELP ENSURE SETTLEMENT PAYMENTS AS DESCRIBED HEREIN**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *Marlene Torres Wells, et. al. v. Autoland, LLC, Alameda County Superior Court, Case No. RG17880284*. (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Autoland, LLC’s (“Defendant” or “Autoland”) records show that you were employed at Autoland as a Sales Consultant in California between October 26, 2013, and July 22, 2020 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiffs Marlene Torres Wells, Carrie Sinai, Selwyn Ward, and Carl Leung (“Plaintiffs”) brought this Lawsuit against Autoland seeking to assert claims on behalf of a class of all current and former Sales Consultants who worked for Autoland in California at any time beginning October 26, 2013. Plaintiffs are collectively known as the “Class Representatives,” and their attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.” Plaintiff and Defendant are collectively referred to as the “Parties.”

The Lawsuit alleges that Autoland failed to reimburse all business expenses, failed to provide meal periods, failure to provide rest periods, and made certain unlawful wage deductions. As a result of the foregoing alleged violations, Plaintiffs also allege that Autoland failed to provide accurate, itemized wage statements, failed to pay all wages due at termination/separation of employment, and also engaged in unfair business practices.

Autoland denies that it has done anything wrong. Autoland further denies that it owes Settlement Class Members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Autoland, which expressly denies any and all liability.

The Court has not ruled on the merits of Plaintiffs' claims. Moreover, the Court has not determined whether or not the Class can be certified or whether Defendant has violated any law. However, to avoid additional expense and inconvenience, Autoland has concluded that it is in its best interests to settle the Lawsuit on the terms summarized in this Notice. After Autoland provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the Parties.

The Class Representatives and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Autoland, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Autoland, your decision about whether to participate in the Settlement will not affect your employment. California law and Autoland's policy strictly prohibit unlawful retaliation. Autoland will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of the Settlement Class Member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff / Settlement Class Members:

LAW OFFICE OF JAMES FARINARO

James Farinaro
184 13th Street, Suite 2
Oakland, CA 94612
Telephone No: 510-553-1200

What are the terms of the Settlement?

On July 22, 2020, the Court preliminarily certified a class, for settlement purposes only, of all current and former Sales Consultants who worked for Autoland in California from October 26, 2013 through July 22, 2020. Settlement Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Autoland, as described below.

Autoland has agreed to pay \$625,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, attorneys' fees and expenses, settlement administration costs, and the Class Representatives' Service Award. Autoland' share of payroll taxes associated with any wage payments to Settlement Class Members shall be paid by Autoland separately from, and in addition to, the Maximum Settlement Amount.

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

Settlement Administration Costs. The Court has approved CPT Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the

Settlement. The Court has approved setting aside up to \$10,000.00 from the Maximum Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount, which is estimated to be \$208,312.50, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through conclusion. Class Counsel also will ask for reimbursement of up to \$10,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.

Enhancement Payment to Class Representative. Class Counsel will ask the Court to award the Class Representatives the following Enhancement Payments to compensate Plaintiffs for their service, waiver of additional rights, and extra work provided on behalf of the Settlement Class Members: (1) \$5,000 to Plaintiffs Marlene Torres Wells and Carrie Sinai each; and (2) \$2,500 to Plaintiffs Selwyn Ward and Carl Leung each.

Calculation of Individual Settlement Class Members' Settlement Award. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$381,687.50 to be shared among the Settlement Class Members. The NSA will be divided as follows: Each Authorized Claimant's pro-rata settlement payment is calculated by dividing the NSA by the total number of Qualifying Workweeks of the Class to determine the monetary value of each Qualifying Workweek. To determine each Authorized Claimant's Settlement Payment, the Settlement Administrator will then multiply the number of each Authorized Claimant's Qualifying Workweeks times the value of each Qualifying Workweek. The resulting figure shall be rounded up to the nearest cent. A Qualifying Workweek equals 5 days of work. As such, the payment you obtain will be determined by the length of time you have worked for Autoland during the Class Period.

Each Class Member shall be responsible for any tax consequences of the Settlement or payment of funds pursuant to this Agreement, including the payment of any applicable tax deductions or obligation as if paying through payroll.

Payment by Autoland of Maximum Settlement Amount. Autoland shall pay the Maximum Settlement Amount in one installment within 60 calendar days from the Effective Date. The Effective Date means the later of (a) the date of entry of Order granting final approval of this Settlement, if no objection to the Settlement is filed, (b) the date on which the time for all appeals from objections to the Settlement has expired, if one or more objections to the Settlement are filed, and not withdrawn, and (c) if an appeal is taken, the date on which the appeal is settled, withdrawn or dismissed, or any reviewing court issues a decision, the time for further appeal has expired, and the trial court has regained jurisdiction.

Time for Disbursement of Maximum Settlement Amount. If the Court grants final approval of the Settlement, all payments, including those to Authorized Claimants (Settlement Class Members who do not exclude themselves from the Settlement) and to Class Counsel will be disbursed by the Settlement Administrator within fifteen (15) calendar days of receipt of Autoland's payment of the MSA. Payment to any Authorized Claimant will be in the form a check issued for an amount calculated using the formulas contained in this Agreement. Any funds allocated to Class Members who ultimately submitted timely valid Requests for Exclusions shall be proportionally redistributed to Authorized Claimants based on the number of their Qualifying Workweeks (based on the formula provided under this Agreement).

Allocation and Taxes. For tax purposes, each Settlement Award shall be allocated as follows: Thirty percent (30.00%) as wages; Forty percent (40.00 %) as penalties; and Thirty percent (30.00%) as interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS

Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Settlement Shares. The Settlement Administrator, Autoland and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class Member who has not submitted a timely and valid Request for Exclusion, will release Autoland, and its respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them (collectively the “Released Persons”), from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which relate to any and all claims alleged or which could have been alleged based on the facts in the operative Complaint filed by Representative Plaintiffs, both on their behalf and on behalf of the Class Members in this Action during the Class Period, including the date of preliminary approval of the Settlement under any federal, state or local law, and shall specifically include but is not limited to claims for failure to reimburse all business expenses, failure to provide meal periods, failure to provide rest periods, failure to provide accurate itemized wage statements, waiting time penalties, unpaid overtime wages, unpaid regular wages, wage deductions (including but not limited to violations of Labor Code §§ 221, 222, 223, and 224), unfair competition (pursuant to Business and Professions Code § 17200 et. seq.), and any other claims, including penalties, pertaining to the Class Members which were alleged or could have been alleged in operative Complaint.

This release is limited in time to the Class Period covering the Class Members who worked for the Released Persons in the State of California.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period (as explained above), and as stated below. You also will be bound by the Settlement, including the release of claims stated above.

According to Autoland’s records, you worked a total of <<**WorkWeeks**>> workweeks during the Class Period. Based on your number of workweeks, your gross estimated settlement amount is <<**estAmount**>>. This estimated amount is only an estimate.

All checks representing shares of the Settlement which are sent to Settlement Class Members who do not submit a timely and valid Request for Exclusion must be cashed/negotiated within one-hundred eighty (180) calendar days of the mailing of the checks. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California *Civil Code* § 1500, *et seq.*, for the benefit of those Settlement Class members who did not cash their checks until such time that they claim their property.

Furthermore, by cashing/negotiating the checks representing the Settlement Payments, it shall constitute opting-in for a release of claims under the Fair Labor Standards Act to the extent such claims fall within the definition of Released Class Claims as that phrase is defined and used in the Settlement Agreement.

What other options do I have?

Dispute Information in Notice. Your award is based on the proportionate number of workweeks you worked during the Class Period, and whether you have worked between October 26, 2013 and July 22, 2020. The

information contained in Autoland's records regarding all of these factors, along with your estimated Settlement Award, is listed above. If you disagree with the information, you may submit a dispute, along with any supporting documentation, to the Settlement Administrator at Marlene Torres Wells, et al. v. Autoland, LLC, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606. Any disputes, along with supporting documentation, must be postmarked no later than October 9, 2020. **DO NOT SEND ORIGINALS - DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. In the event the dispute cannot be resolved, it will be submitted to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion from the Class Action Settlement" letter or card postmarked no later than October 9, 2020, with your name (and any former names used during your employment with Autoland), address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE TORRES WELLS V. AUTOLAND, LLC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at Marlene Torres Wells, et. al. v. Autoland, LLC, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do and the Settlement Administrator is unable to reach you to clarify, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written objection to the Settlement Administrator. Your written objection must include your name and address, last four digits of your social security number or employee ID number, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Written objections must be postmarked on or before October 9, 2020.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for November 24, 2020 at 3:00 p.m. in Department 23 of the Alameda County Superior Court, Administration Building, located at 1221 Oak Street, Oakland, California 94612. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which *Marlene Torres Wells, et. al. v. Autoland, LLC*, Alameda County Superior Court, Case No. **RG17880284**. Be advised that hearing dates may be changed for different reasons. You should confirm the hearing date a day or so prior to the hearing date.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object. If you submit an objection and a Request for Exclusion, the Settlement Administrator will attempt to contact you to clarify what you intend to do. If the Settlement Administrator is unable to resolve the conflict, your Request for Exclusion will be null and void, and you will remain in the Class and the Court will be presented with your objection for decision.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on November 24, 2020 at 3:00 p.m., in Department 23 of the Alameda County Superior Court, Administration Building, located at 1221 Oak Street, Oakland, California 94612. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Payment to the Class Representatives. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing. If you plan to attend, contact Class Counsel to confirm the hearing is going forward as scheduled.**

The Court's final judgment will be posted on the Settlement Administrator's website (<http://www.cptgroup.com/autolandsettlement>).

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Alameda County Superior Court, located at 1225 Oak Street, Oakland, California 94612, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, AUTOLAND, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is October 9, 2020. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON JULY 22, 2020.