

NOTICE OF PENDENCY OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

Vtoynapa, Inc. doing business as Jimmy Vasser Toyota, and VS Automotive, Inc. doing business as Jimmy Vasser Chevrolet

Judicate West Case No.: A283372 (the “Arbitration”)

Hon. Herbert B. Hoffman, Arbitrator

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Respondents’ records indicate that you may be eligible to take part in the class and representative action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement.

On November 17, 2021, Hon. Herbert B. Hoffman, Arbitrator, granted preliminary approval of a class and representative action settlement involving a former employee (“Claimant”), on behalf of himself and others similarly situated, against respondents Vtoynapa, Inc. doing business as *Jimmy Vasser Toyota*, and VS Automotive, Inc. doing business as *Jimmy Vasser Chevrolet* (collectively, “Respondents”), which may affect your legal rights.

If you are a Settlement Class Member (or member of the Settlement Class) as defined below, you need not take any action to receive a settlement payment under the settlement, but you have the opportunity to request exclusion from the class settlement (in which case you will not receive payment under the class settlement), object to the class settlement, and/or dispute the number of pay periods credited to you, if you so choose, as explained more fully below.

I. IMPORTANT DEFINITIONS

“**Settlement Class**” means all persons who are or were employed by Respondents, or either of them, at *Jimmy Vasser Toyota* and/or *Jimmy Vasser Chevrolet* in the State of California as non-exempt employees at any time during the Settlement Period.

“**Settlement Class Member**” means a member of the Settlement Class.

“**Settlement Period**” means the period beginning on October 1, 2016 and ending on August 31, 2021.

“**PAGA Group Member**” means all Settlement Class Members who worked for Respondents any time during the PAGA Period.

“**PAGA Period**” means the period beginning on October 1, 2019 and ending on August 31, 2021.

II. BACKGROUND OF THE ACTION

The Arbitration involves claims against Respondents for: (a) failure to pay all unpaid minimum and overtime wages; (b) failure to provide timely and compliant duty-free meal periods and pay premiums owed thereon; (c) failure to provide timely and compliant duty-free rest breaks and pay premiums owed thereon; (d) failure to furnish accurate itemized wage statements; (e) failure to maintain and keep accurate records; (f) failure to reimburse all necessary business expenses incurred; (g) failure to pay

all wages owed timely during employment and upon separation of employment; (h) unfair and unlawful business practices; and (i) violation of California's Private Attorneys General Act of 2004 ("PAGA").

Respondents deny all of the allegations in the Arbitration or that they violated any law, and contend that at all times they have fully complied with all applicable federal, state, and local laws.

After extensive investigation and analysis of the legal and factual issues and risks, the parties participated in a mediation with a respected mediator, Jill R. Sperber, Esquire of Judicate West, and as a result, the parties reached a settlement. The parties have since entered into the Stipulation of Resolution and Release ("Settlement Agreement"), which was preliminarily approved by the Arbitrator on November 17, 2021. The Arbitrator has appointed CPT Group, Inc. as the administrator of the settlement ("Settlement Administrator"), Claimant, as representative of the Class ("Class Representative"), and the following law firm as counsel for the Class ("Class Counsel"):

Anthony J. Orshansky
Jennifer L. Connor
CounselOne, PC
9301 Wilshire Blvd., Suite 650
Beverly Hills, California 90210
Telephone: (310) 277-9945

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Respondents that the claims in the Arbitration have merit or that Respondents have any liability to Claimant or to Settlement Class Members. Claimant and Respondents, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the settlement is fair, reasonable and adequate, and that the settlement is in the best interests of the Settlement Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Terms

The total settlement amount is three hundred seventy thousand dollars (\$370,000) (the "Settlement Amount"). The portion of the Settlement Amount that is available for payment to Settlement Class Members who do not opt out of the class settlement is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Settlement Amount less the following payments which are subject to approval by the Arbitrator: (1) attorneys' fees in an amount of up to 35 percent of the Settlement Amount (i.e., up to \$129,500) and reimbursement of litigation costs and expenses in an amount of up to fifteen thousand dollars (\$15,000) to Class Counsel (together, "Attorneys' Fees and Costs"); (2) enhancement payment to the Class Representative in an amount not to exceed seven thousand five hundred dollars (\$7,500) for his services and responsibilities in prosecuting the action ("Enhancement Payment"); (3) settlement administration costs in an amount not to exceed twelve thousand dollars (\$12,000) to the Settlement Administrator ("Administration Costs"); and (4) the allocation of thirty thousand dollars (\$30,000) to settle all claims under the California Private Attorneys General Act ("PAGA") (the "PAGA Payment" or "PAGA Settlement"), of which 75%, or \$22,500, will be paid to the California Labor and Workforce Development Agency ("LWDA") and the remaining 25%, or \$7,500, will be paid to all PAGA Group Members on a *pro rata* basis.

B. Distribution Formula

Each Settlement Class Member is eligible to receive a *pro rata* share of the Net Settlement Amount (“Net Settlement Payment”) based on the number of eligible pay periods he or she worked for Respondents in the State of California as a non-exempt employee at any time during the Settlement Period. Specifically, each Net Settlement Payment will be determined by dividing the Net Settlement Amount by the total number of eligible pay periods (including any semi-monthly equivalents, where applicable) worked by all Settlement Class Members during the Settlement Period (the “Pay Period Amount”) and then multiplying the amount by the number of eligible pay periods of the individual Settlement Class Member as determined by the Settlement Administrator, less any applicable withholding taxes based on the stipulated allocation of the Net Settlement Amount as provided for below.

Each PAGA Group Member will receive a *pro rata* share of the PAGA Payment based on the number of eligible pay periods he or she worked for Respondents in the State of California as a non-exempt employee at any time during the PAGA Period, irrespective of whether he or she submits a request for exclusion from the class settlement. Specifically, 25% of the PAGA Payment (or \$7,500) will be divided by the total of all eligible pay periods worked by PAGA Group Members during the PAGA Period in order to establish the value of each eligible pay period worked. The individual PAGA payment of each PAGA Group Member will be calculated by multiplying the value of an eligible pay period by the number of eligible pay periods worked by the PAGA Group Member during the PAGA Period.

Each Net Settlement Payment will be allocated twenty percent (20%) to wages (which will be reported on an IRS Form W2), and eighty percent (80%) to interest, penalties, and other non-wage damages (which will be reported on an IRS Form 1099, if applicable). Individual PAGA payments will be allocated as one hundred percent (100%) penalties (which will be reported on IRS Form 1099). Each Net Settlement Payment will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wage portion of the Net Settlement Payment. The net payment of each Settlement Class Member’s Net Settlement Payment (after reduction for the employee’s share of taxes on the wage portion) and individual PAGA payment (if applicable) is referred to as his or her “Individual Settlement Payment.”

If the Arbitrator grants final approval of the settlement, Individual Settlement Payments will be mailed to individuals at the address that is on file with the Settlement Administrator by way of one (1) check. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

C. Your Pay Periods Based on Respondents’ Records

According to Respondents’ records:

During the Settlement Period you worked for Respondents as a non-exempt employee in California for <<Payperiods>> pay periods.

During the PAGA Period you worked for Respondents as a non-exempt employee in California for <<PAGA_Payperiods>> pay periods.

If you wish to dispute the number of pay periods credited to you, you must submit a written letter to the Settlement Administrator. The written dispute must: (a) contain the case name and number; (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security number; (d) clearly state that you dispute the number of pay periods credited to you and what you contend is the correct number to be credited to you; (e) include information and/or attach documentation demonstrating that the number of pay periods that you contend should be credited to you is correct; and (f) be mailed to the Settlement Administrator at the address listed in Section IV.B below, postmarked **on or before January 17, 2022**.

D. Your Estimated Settlement Award

As explained above, your estimated settlement award is based on the number of eligible pay periods credited to you during the applicable period.

Under the terms of the settlement, your Net Settlement Payment is estimated to be \$<<estAmount>> and your individual PAGA payment (if applicable) is estimated to be \$<<PAGA_Amount>>. The Net Settlement Payment is subject to reduction for the employee's share of taxes and withholding with respect to the wage portion of the Net Settlement Payment.

Individual Settlement Payments will only be distributed if the Arbitrator grants final approval to the settlement.

E. Released Claims

Upon the date the Arbitrator makes the award granting final approval of the settlement, for the applicable settlement period, Claimant and Settlement Class Members, except those that make a valid and timely request to be excluded from the class settlement, waive, release, discharge, and promise never to assert in any forum any and all wage-related claims against the Respondents or any Released Party (including all respective subsidiaries, affiliates, predecessors or successors in interest, or the officers, directors, shareholders, employees, attorneys, agents, assigns, insurers, re-insurers, of any of them) that were asserted in the Arbitration or which could have been asserted based on the facts alleged in the Arbitration, for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) rest break liability under Labor Code section 226.7; (4) meal period liability under Labor Code section 226.7; (5) failure to pay all wages owed timely during employment and upon separation of employment; (6) failure to maintain and provide accurate itemized employee wage statements; (7) failure to reimburse business expenses; (8) violations of Business & Professions Code sections 17200, *et seq.*; and (9) penalties pursuant to the Private Attorneys General Act (Labor Code § 2698, *et seq.*). This release excludes the release of claims not permitted by law.

Notwithstanding the foregoing, all Settlement Class Members, whether or not they submit a request for exclusion from the class settlement, employed by Respondents during the PAGA Period (the PAGA Group Members) will receive an individual PAGA payment and will no longer be able to seek penalties pursuant to the PAGA, arising from any and all claims contained in the Arbitration, or that were or could have been asserted based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Claimant in the Arbitration during the PAGA Period, including claims for unpaid wages, non-compliant meal and rest breaks, late payment of final wages, failure to reimburse for business expenses, and inaccurate wage statements.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS?

A. Participate in the Settlement

If you want to receive money from the settlement, you do not have to do anything. You will automatically be issued your Net Settlement Payment unless you decide to exclude yourself from the settlement. Unless you elect to exclude yourself from the settlement, you will be bound by the terms of the settlement, and you will be deemed to have released the Released Parties for the Released Claims, pursuant to Section III.E above.

You may not request exclusion from the PAGA Settlement. If you are a PAGA Group Member you will receive your individual PAGA payment, whether or not you choose to request exclusion from the class settlement, and you will be deemed to have released the Released Parties for penalties pursuant to the PAGA, arising from any and all claims contained in the Arbitration, or that were or could have been asserted based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Claimant in the Arbitration during the PAGA Period, including claims for unpaid wages, non-compliant meal and rest breaks, late payment of final wages, failure to reimburse for business expenses, and inaccurate wage statements.

As a Settlement Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and costs.

B. Request Exclusion from the Settlement

If you do not wish to participate in the class settlement, you may seek exclusion from (or "opt out" of) the class settlement by submitting a timely, written request for exclusion from the class settlement to the Settlement Administrator at the following address:

Jimmy Vasser Toyota/Chevrolet
c/o CPT Group, Inc.
50 Corporate Park
Irvine, California 92606
Telephone: 1-888-431-2319

The request for exclusion must: (a) include your name, address, and telephone number; (b) include the case name and number; (c) include a clear and unequivocal statement that you wish to be excluded from the class settlement; (d) include your signature; and (e) be mailed to the Settlement Administrator at the address listed above, postmarked **no later than January 17, 2022.**

If the Arbitrator grants final approval of the settlement, any Settlement Class Member who submits a timely and valid request for exclusion from the class settlement will not be entitled to receive any payment from the class settlement, will not be bound by the class settlement, and will not have any right to object to, appeal, or comment on the settlement. Any Settlement Class Members who do not submit a timely and valid request for exclusion from the class settlement will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.E above.

You may not request exclusion from the PAGA Settlement. If you are a PAGA Group Member you will receive your individual PAGA payment, whether or not you choose to request exclusion from the

class settlement, and you will be deemed to have released the Released Parties for penalties pursuant to the PAGA, arising from any and all claims contained in the Arbitration, or that were or could have been asserted based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Claimant in the Arbitration during the PAGA Period, including claims for unpaid wages, non-compliant meal and rest breaks, late payment of final wages, failure to reimburse for business expenses, and inaccurate wage statements.

C. **Object to the Settlement**

You can object to the terms of the class settlement as long as you have not submitted a request for exclusion from the class settlement. To object to the class settlement, you must provide to the Settlement Administrator a timely written statement of the objection. The written objection must: (a) contain your full name, address, telephone number, and signature; (b) contain the case name and number; (c) contain a statement of the specific legal and factual basis for each objection argument; (d) contain a statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel; and (e) be filed or postmarked **no later than January 17, 2022**. You may not object to the PAGA Settlement.

V. **FINAL APPROVAL HEARING**

The Arbitrator will hold a Final Approval Hearing on **January 28, 2022, at 9:00 a.m.**, at Judicate West, 1851 East First Street, Suite 1600, Santa Ana, California 92705, to determine whether the settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees and costs to Class Counsel, Enhancement Payment to Claimant, and Administration Costs to the Settlement Administrator should be awarded. The hearing may be continued without further notice. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to at your expense.

VI. **ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you may inspect the Arbitrator's files and the Settlement Agreement at Judicate West, 1851 East First Street, Suite 1600, Santa Ana, California 92705, during regular business hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE ARBITRATOR, RESPONDENTS, OR RESPONDENTS' ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: 1-888-431-2319 OR VISIT <https://www.cptgroupcaseinfo.com/vassertoyotachevrolet>, OR YOU MAY ALSO CONTACT CLASS COUNSEL.