

SAN BERNARDINO COUNTY SUPERIOR COURT
Corona, et al. v. Fairview Ford Sales, Inc. and Fairway Ford Sales, Inc., et al.
 Case No. CIVSB2124446 (“Action”)

NOTICE OF PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants’ 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.

ATTN: «EmployeeName»

By order of the Superior Court of California, you are notified that: preliminary approval of a class and representative action settlement filed by a former employee (“Plaintiff”), on behalf of himself and others similarly situated, and defendants Fairview Ford Sales, Inc. and Fairway Ford Sales, Inc. (collectively, “Defendants”), was granted on May 3, 2022, which may affect your legal rights.

If you are a Class Member (or member of the Class), 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 and will only receive a PAGA Payment, as described below), object to the class settlement, and/or dispute the number of workweeks credited to you, if you so choose, as explained more fully below.

I. IMPORTANT DEFINITIONS

“**Class**” means any and all salespersons, finance managers, and service writers who are employed or have been employed by Defendants in the State of California as non-exempt employees during the Class Period.

“**Defendants**” means Fairview Ford Sales, Inc. and Fairway Ford Sales, Inc.

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

“**Class Period**” means the period beginning on August 18, 2016 and ending on June 30, 2021.

“**PAGA Group Members**” means all Class Members who worked for Defendants any time during the California Private Attorneys General Act (“PAGA”) period, i.e., the PAGA Period.

“**PAGA Period**” means the period beginning on August 18, 2019 and ending on June 30, 2021.

“**Settlement Class Members**” means Class Members who do not exercise their right to request exclusion from the class settlement. Class Members who request exclusion (explained below) retain their right to sue Defendants, if they choose, but they cannot exclude themselves from the PAGA portion of the settlement. Class Members who request exclusion will not receive payment under the proposed class settlement of their Individual Settlement Share but will still receive a *pro rata* share of the PAGA Payment, as defined and discussed in section III.B., below.

Questions? Please call: 1-888-398-3315

II. BACKGROUND OF THE ACTION

The settlement involves claims against Defendants for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) meal period liability; (4) rest break liability; (5) failure to reimburse for business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to timely pay all wages and upon separation of employment; (8) violation of Cal. Labor Code section 1174(d); (9) violation of Cal. Bus. & Prof. Code section 17200 et seq., and (10) penalties under Cal. Labor Code section 2699, as well as interest, penalties (including under PAGA), and attorneys' fees and costs. A copy of the complaint is on file with the Court.

Defendants deny all of the allegations in the Action 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 full-day 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 Class and Representative Action Settlement Agreement ("Settlement Agreement"), which was preliminarily approved by the Court on May 3, 2022. The Court has appointed CPT Group, Inc. as the administrator of the settlement ("Settlement Administrator"), Plaintiff, 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
Facsimile: (424) 277-3727

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended to be or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff or to Class Members. Plaintiff and Defendants, 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 Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Terms

The total settlement amount is two hundred forty thousand dollars (\$240,000) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to Class Members who do not opt out of the class settlement ("Settlement Class Members") is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees in an amount of up to 35 percent of the Gross Settlement Amount (i.e., up to \$84,000) and reimbursement of actual litigation costs and expenses in an amount of up to twelve thousand dollars (\$12,000) to Class Counsel (together, "Attorneys' Fees and Costs"); (2) enhancement payment to the Class Representative in an amount not to exceed five thousand dollars (\$5,000) for his services and responsibilities in prosecuting the Action ("Enhancement Payment"); (3) settlement administration costs in an amount not to exceed ten thousand dollars (\$10,000) to the Settlement Administrator ("Administration Costs"); and (4) the allocation of twenty thousand dollars

Questions? Please call: 1-888-398-3315

(\$20,000) to settle all claims under PAGA (“PAGA Settlement”), of which 75%, or \$15,000, will be paid to the California Labor and Workforce Development Agency and the remaining 25%, or \$5,000, will be paid to PAGA Group Members on a *pro rata* basis (“PAGA Payment”).

B. Distribution Formulas

Each Settlement Class Member is eligible to receive a *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of workweeks he or she worked for Defendants as a non-exempt salesperson, finance manager, and/or service writer in the State of California during the Class Period. Specifically, the Net Settlement Amount will be divided by the total of all workweeks of Settlement Class Members during the Class Period in order to establish the value of each workweek. The Individual Settlement Share of each Settlement Class Member will be calculated by multiplying the value of a workweek by the number of workweeks worked by the Settlement Class Member during the Class Period. Each PAGA Group Member will receive a *pro rata* share of the PAGA Settlement allocated to PAGA Group Members (or \$5,000) based on the number of workweeks he or she worked for Defendants as a non-exempt salesperson, finance manager, and/or service writer in the State of California during the PAGA Period, irrespective of whether he or she is a Settlement Class Member. Specifically, 25% of the PAGA Settlement (or \$5,000) will be divided by the total of all workweeks worked by PAGA Group Members during the PAGA Period in order to establish the value of each workweek. The individual PAGA Payment of each PAGA Group Member will be calculated by multiplying the value of a workweek by the number of workweeks worked by the PAGA Group Member during the PAGA Period.

Each Individual Settlement Share will be allocated twenty percent (20%) to wages (which will be reported on an IRS Form W-2), 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). The net payment of each Settlement Class Member’s Individual Settlement Share (after reduction for the employment taxes and withholdings on the wage portion of the Individual Settlement Share) and individual PAGA Payment (if applicable) is referred to as their “Individual Settlement Payment.”

If the Court 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 Workweeks Based on Defendants’ Records

According to Defendants’ records:

During the Class Period you worked for Defendants as a Class Member for «Workweeks» workweeks.

During the PAGA Period you worked for Defendants as PAGA Group Member for «PAGA_Workweeks» workweeks.

If you wish to dispute the number of workweeks 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 workweeks credited to you and what you contend is the correct number to be credited to you; (e) include information and/or attach documentation

Questions? Please call: 1-888-398-3315

demonstrating that the number of workweeks 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 July 7, 2022**.

D. Your Estimated Settlement Award

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

Under the terms of the settlement, your Individual Settlement Share is estimated to be «estAmount» and your individual PAGA Payment (if applicable) is estimated to be «PAGA_Amount» The Individual Settlement Share is subject to reduction for employment taxes and withholding with respect to the wage portion of the Individual Settlement Share.

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

E. Released Claims

Upon the date of entry of the final approval order and judgment becomes final, Plaintiff and all Class Members who did not submit valid requests for exclusion from the class settlement (Settlement Class Members), for the period from August 18, 2016 and ending on June 30, 2021 (Class Period), will release and forever discharge Defendants and their affiliated companies, successor(s) in interest, predecessor(s) in interest, parents, members, subsidiaries, related companies and business concerns, past and present, and each of them, as well as each of their insurers, partners, trustees, directors, shareholders, officers, agents, attorneys, servants and employees, past and present, and each of them and all working with or in concert with them or connected with them (“Released Parties”), from the Settled Claims during the Class Period. “Settled Claims” means any and all claims for relief, arising during the Class Period, which Plaintiff or any Settlement Class Members have had, now have against the Released Parties or any of them for any or all claims alleged in the operative Complaint or which could have been alleged in the operative Complaint based on the allegations, facts, matters, transactions or occurrences alleged therein, including without limiting the generality thereof the claims listed in the operative Complaint. The operative Complaint includes causes of action for: (1) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (2) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (3) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (4) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (5) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (7) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (8) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (9) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records); and (10) Violation of California Business & Professions Code § 17200, *et seq.* The release of the foregoing claims, extends to all theories of relief regardless of whether the claim is, was or could have been alleged as separate claims, causes of action, lawsuits or based on other theories of relief (including, without limitation, as violations of the California Labor Code, the California Wage Orders, applicable regulations, California’s Business and Professions Code § 17200). “Settled Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for damages, restitution, losses, penalties, fines, liens, attorneys’ fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages. This release excludes the release of claims not permitted by law.

Notwithstanding the foregoing, all Class Members, whether or not they submit a request for exclusion from the settlement, employed by Defendants during the PAGA Period (PAGA Group Members) will receive an

Questions? Please call: 1-888-398-3315

individual PAGA Payment and will no longer be able to seek penalties against the Released Parties pursuant to the PAGA, California Labor Code § 2699, *et seq.*, arising from any and all claims, for the period from August 18, 2019 and ending on June 30, 2021 (PAGA Period), alleged in the operative Complaint or which could have been alleged in the operative Complaint based on the allegations, facts, matters, transactions or occurrences alleged therein under the PAGA, including without limiting the generality thereof the claims listed in the Action (“Settled PAGA Claims”). The release of the Settled PAGA Claims extends to all theories of relief regardless of whether the claim is, was, or could have been alleged as separate claims, causes of action, lawsuits or based on other theories of relief, whether under California law, federal law, state law or common law (including, without limitation, as violations of the California Labor Code, the California Wage Orders and applicable regulations). Settled PAGA Claims includes all types of relief available for the above-referenced claims under the PAGA. The Final Judgment shall expressly provide that it covers and bars each and every PAGA Group Member from asserting any Settled PAGA Claims arising during the PAGA Period in the future.

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 Individual 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 any judgment that may be entered by the Court based thereon, 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 the Settled PAGA Claims (defined above).

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

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:

Fairview Ford Sales Settlement Administrator
c/o CPT Group, Inc.
50 Corporate Park
Irvine, California 92606
Telephone: 1-888-398-3315

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 July 7, 2022**.

Questions? Please call: 1-888-398-3315

If the Court grants final approval of the settlement, any 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 Class Members who do not submit a timely and valid request for exclusion from the class settlement will be deemed Settlement Class Members and will be bound by all terms of the settlement, including those pertaining to the release of Released Claims stated in Section III.E above, as well as any judgment that may be entered by the Court based thereon.

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 from the Settled PAGA Claims.

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 July 7, 2022**. You may not object to the PAGA Settlement.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415 on **August 9, 2022**, at **10:00 a.m.** 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 Plaintiff, 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 should review the Settlement Agreement and other papers which are on file with the Court. You may view the Settlement Agreement and other court records in the Action for a fee by visiting the civil clerk's office, located at 247 West Third Street, San Bernardino, CA 92415, during business hours.

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

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: 1-888-398-3315 OR VISIT www.cptgroupcaseinfo/fairviewfordsettlement.com, OR YOU MAY ALSO CONTACT CLASS COUNSEL.