

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

If you have been employed by Leon’s Transmission Service, you may be entitled to receive money from a class action settlement.

*The Los Angeles County Superior Court authorized this notice.
This is not a solicitation from a lawyer.*

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant Leon’s Transmission Service, Inc. (“Defendant” or “Leon’s Transmission”) who worked for Defendant in California from December 10, 2015 through October 15, 2020 (**hereinafter “Class Members”**). A hearing to determine whether the settlement should receive the Court’s final approval will be held on September 29, 2021 at 10:30 a.m. in Department 12 of the Los Angeles County Superior Court, which is located at 312 N. Spring Street, Los Angeles, CA 90012.

This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described in section 9, below) no later than July 17, 2021 otherwise you will be bound by the terms of the settlement, including the release of certain claims that you may have against Leon’s Transmission, as described in section 8 of this Notice.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class by Defendant’s records. The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSON ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

The people eligible to receive a settlement payment are all non-exempt California employees of Leon’s Transmission who worked for Leon’s Transmission at any time from December 15, 2015 through October 15, 2020. You are receiving this notice because, according to Leon’s Transmission’s records, you are eligible to participate in the settlement.

3. DESCRIPTION OF THE ACTION

A former employee of Leon’s Transmission filed a class action against it in the Los Angeles Superior Court. The case is called *Stadnik v. Leon’s Transmission Service, Inc.*, Case No. BC 19STCV44253 (the “Action”). The Action alleges that Plaintiff and other non-exempt employees of Defendant (the “Class”) were not paid for all of their work, were not provided with compliant meal and rest breaks, were not provided compliant wage statements, were not paid all amounts due at separation, and were not reimbursed for their necessary expenditures. The Action also alleges that Plaintiff and the other non-exempt employees of Defendant who were paid a salary (the “Sub-Class”) were not paid for their overtime and were not paid at overtime rates of pay. Based on these facts and others, Plaintiff’s First Amended Complaint alleges causes of action for: (1) failure to pay overtime; (2) failure to pay twice minimum wage; (3) failure to provide meal and rest breaks; (4) failure to provide accurate wage statements; (5) failure to pay all wages owed at termination; (6) failure to reimburse necessary expenditures; (6) violation of the Unfair Practices Act; and (7) recovery of civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”), California Labor Code sections 2698-2699.5.

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing. Among other things, Defendant contends that all employees have been properly compensated and that Defendant complied with all applicable California labor laws.

The Court has made no ruling on the merits of the alleged claims or the defenses asserted by Defendant. The Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for September 29, 2021 at 10:30 a.m. (the “Final Approval Hearing”).

FOR MORE INFORMATION CALL 1-800-523-5773.

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing the Plaintiff and the class (“Class Counsel”) are:

Aaron C. Gundzik Rebecca Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Daniel M. Holzman Caskey & Holzman 24025 Park Sorrento, Ste. 400 Calabasas, CA 91302 Telephone: (818) 657-1070 Facsimile: (818) 297-1775
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Attorneys representing Defendant are:

Alfred Landegger Marie D. Davis Kristina Kourasis LANDEGGER VERANO & DAVIS ALC 15760 Ventura Blvd., Suite 1200 Encino, California 91436 Telephone: (818) 986-7561 Facsimile: (818) 986-5147	
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5. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement (“Settlement Agreement”), a copy of which is filed with the Court. You can obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: <http://www.phoenixclassaction.com/stadnik-v-leons/>.

Defendant has agreed to pay \$360,000 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. As discussed below, the Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys’ fees and costs, service and release awards to the Plaintiff, and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the Net Settlement Amount) will be distributed to Class Members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$120,000 to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$15,000. Subject to court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount.

(b) Service and Release Awards: The Plaintiff is requesting a service and release award of \$10,000, in addition to the amounts he will receive as a member of the Class and Sub-Class, to compensate him for undergoing the burden and expense of prosecuting the action and for the broader release of claims he is required to provide to Defendant. Subject to court approval, the service and release award will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Class Action Administration Solutions, has advised the parties that the settlement administration costs will not exceed \$7,500. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$4,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes penalties to the state for alleged violations of the California Labor Code. Of this amount, \$3,000 (75%) will be paid to the California Labor & Workforce Development Agency (“LWDA”). Subject to court approval, the \$3,000 payment to the LWDA will also be deducted from the Gross Settlement Amount. The other 25%, which is \$1,000, will be distributed to those class members who were employed by Leon’s at any time during the PAGA

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Period from December 10, 2018 through October 15, 2020 (hereinafter “PAGA Employees”) as part of the Net Settlement Amount discussed below.

(e) **Payments to Settlement Class Members:** The remainder of the Gross Settlement Amount (called the Net Settlement Amount) will be distributed to Class Members who do not exclude themselves from the settlement (called Settlement Class Members). Thirty percent (30%) of the Net Settlement Amount will be allocated to the Sub-Class for the claim for unpaid overtime. Seventy percent (70%) of the Net Settlement Amount will be allocated to all of the Class Members, including those Class Members who are also Sub-Class Members. The amount of each Sub-Class Member’s share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Sub-Class Member during the Class Period by the total number of qualifying workweeks worked by all of the Sub-Class Members during the Class Period and multiplying that fraction by thirty percent (30%) of the Net Settlement Amount. The amount of each Class Member’s share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member during the Class Period by the total number of qualifying workweeks worked by all of the Class Members during the Class Period and multiplying that fraction by seventy percent (70%) of the Net Settlement Amount. A Qualifying Workweek is a full or partial week that a class member worked for Leon’s Transmission during the Class Period. Class Members who worked for Leon’s at any time from December 10, 2018 through October 15, 2020 will also participate in the “PAGA Settlement,” whereby they will receive a portion of the \$1,000 penalty allocation referenced above in section 5(d). The PAGA claim portion of a PAGA Employees’ Settlement payment will be calculated by dividing the total number of qualifying workweeks worked by the employee by the total number of workweeks worked by all such employees and then multiplying that fraction by \$1,000.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant’s records, you worked a total of «Total_Class_Workweeks» Qualifying Workweeks during the Class Period. According to Defendant’s records, you worked a total of «Workweeks_in_Subclass» Qualifying Workweeks during the Class Period as a Sub-Class Member. You also worked «Total_PAGA_Workweeks» Qualifying Workweeks between December 10, 2018 and October 15, 2020. Under the settlement, you will receive approximately «NSF_before_PAGA» for the Class settlement and you will receive an additional payment of «PAGA_Amount» which is your share of the \$1,000 PAGA Settlement. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys’ fees and costs, settlement administration costs, the service and release award to Plaintiff, payment to the LWDA, and disputes by other Class Members and sub-Class Members regarding their Qualifying Workweeks during the Class Period. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

7. PAYMENT SCHEDULE

The Settlement Administrator will send out settlement checks to Class Members after the settlement is finally approved by the Court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise, the settlement check will be voided and the amount of your settlement payment will be sent to the California State Controller as unclaimed property in your name and you will need to contact that agency to obtain your funds. For tax purposes, 25% of your settlement payment shall be attributed to wages and reported on an Internal Revenue Service (“IRS”) Form W-2; 25% will be attributed to interest, 25% will be attributed to penalties and 25% will be attributed to reimbursement of expenses. The amount of interest and penalties will be reported on an IRS Form 1099. Your share of the PAGA Settlement, if you are eligible, will also be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive. The Settlement Administrator shall issue any necessary Form W-2 to Settlement Class Members for the portion characterized as wages, and shall issue an IRS Form 1099 for those portions of individual Settlement Payments attributable to penalties and interest. By participating in the settlement, each settlement Class Member and PAGA Employee shall agree to be solely and legally responsible for paying all other applicable taxes on their respective individual Settlement Payments.

8. RELEASE OF CLAIMS

A. Release by Class Members who do not exclude themselves from the Settlement.

Unless you submit a valid Request for Exclusion (described below in section 9), you will release Leon’s Transmission and its past, present and/or future owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors,

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successors, assigns, and joint venturers from all causes of action and factual or legal theories that were alleged in the First Amended Complaint or are based on or could arise out of the facts alleged in the First Amended Complaint, including without limitation any claims for (1) failure to pay overtime; (2) failure to pay twice minimum wage, (3) failure to provide meal and rest breaks; (4) failure to provide accurate wage statements; (5) failure to pay all wages owed at termination; (6) failure to reimburse necessary expenditures, and (7) violation of the Unfair Practices Act and all related penalties. Provided, however, the Released Claims shall not include the PAGA Released Claims. The time period governing these Released Claims shall be the Class Period only. Claims and damages that were not alleged in the First Amended Complaint (or any subsequent operative Complaint) and do not arise from the facts alleged in the First Amended Complaint are specifically excluded from the release.

B. Release by Class Members who worked at Leon’s at any time from December 10, 2018 through October 15, 2020.

If you worked for Leon’s at any time between December 10, 2018 and October 15, 2020, you will receive a payment that is your share of the \$1,000 penalty and you will release Leon’s its past, present and/or future owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers from any and all claims for civil penalties recoverable by a private attorney general for violations that were alleged in, or arise out of the facts alleged in the First Amended Complaint and the December 10, 2019 letter submitted by Plaintiff to California’s Labor and Workforce and Development Agency with respect to failure to pay overtime wages, failure to provide off-duty meal periods, failure to provide uninterrupted off-duty rest periods, failure to furnish accurate wage statements, failure to pay wages due upon termination, and failure to reimburse necessary expenses arising between December 10, 2018 and October 15, 2020. You cannot exclude yourself from this release.

9. YOUR OPTIONS

As a member of the settlement class you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you do nothing, you will remain a member of the settlement class and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 8 above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment check shall not be extended for you absent Court Order.

(b) You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of Qualifying Workweeks attributed to you in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Stadnik v. Leon’s Transmission Service, Inc.*, Case No. BC 19STCV44253). You must provide written documentation supporting the number of workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **July 17, 2021**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

(c) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 11 below. The deadline to postmark a Request for Exclusion is **July 17, 2021**. A Request for Exclusion is a written statement that unambiguously requests exclusion from the settlement class. The Request for Exclusion must include the case number (*Stadnik v. Leon’s Transmission Service, Inc.*, Case No. BC 19STCV44253), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you

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may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before **July 17, 2021**, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above; however, you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

If you do not submit a timely and valid Request for Exclusion from the settlement class by the deadline specified above, then you will be bound by all terms and conditions of the settlement, including the Release of Claims, if it is approved by the Court and by the judgment, and you will receive a settlement payment.

Please note, however, that the submission of a Request for Exclusion will not exclude you from the PAGA Settlement. Thus, if you worked for Leon's at any time from December 10, 2018 and October 15, 2020, you will receive your portion of the PAGA Settlement and you will be bound by the more limited release set forth in section 8(B).

(d) You Can Object to the Settlement.

If you do not submit a Request for Exclusion from the settlement, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 11 below. The deadline to postmark your objections is **July 17, 2021**. Only Class Members who have not requested exclusion may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Stadnik v. Leon's Transmission Service, Inc.*, Case No. BC 19STCV44253).

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 8 above, and you will not be permitted to file a Request for Exclusion.

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release awards to the Plaintiff, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on September 29, 2021 at 10:30 a.m. in Department 12 of the Los Angeles County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a class member for participating in the settlement.

12. ADDITIONAL INFORMATION AND COURTHOUSE SOCIAL DISTANCING INFORMATION.

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012, subject to the social distancing procedures in place at the Courthouse. You may also review the settlement agreement and other documents on-line at <http://www.phoenixclassaction.com/stadnik-v-leons/> or you may contact the Settlement Administrator as follows:

Phoenix Class Action Administration Solutions
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: Notice@phoenixclassaction.com
Website: <http://www.phoenixclassaction.com/stadnik-v-leons/>

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You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

If you are planning to come to the Final Approval Hearing, you should review the Court's social distancing requirements at: <http://www.lacourt.org/newsmedia/ui/HfySfy.aspx> (Here for You, Safe for You).

These rules require that all persons entering any courthouse or courtroom must wear a face covering/mask over his or her nose and mouth at all times within the public areas of the courthouse or courtroom. Individuals who wear a face shield must ensure it covers both the nose and the mouth, wraps around the sides of a wearer's face and extend to below the chin with a cloth drape from the bottom of the face shield to below the neck. Children under the age of three (3) are exempt, as are persons with a medical condition, mental health condition, or disability that precludes them from wearing a face covering. However, they must "take whatever protective measures their condition permits, such as wearing a face shield without a drape on the bottom edge."

Individuals are required to maintain at least (6) six feet of physical distance from all persons (except those within their household) at all times and comply with social distance signage throughout the courthouse.

Individuals are requested to use hand sanitizer when entering the courthouse, practice good hand-washing hygiene, and cover coughs and sneezes, preferably with a tissue.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

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