NOTICE OF CLASS ACTION SETTLEMENT

A court authorized this notice. This is not a solicitation. This is not a lawsuit against you, and you are not being sued. However, your legal rights are affected by whether you act or don't act.

TO: All current and former hourly non-exempt employees who worked at least one pay period for Prime Lube, Inc. and/or Blue Sky Golden State, LLC in California at any time during the period from September 9, 2016, to February 10, 2022.

The California Superior Court, County of San Bernardino has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned action (the "Class Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All current and former hourly non-exempt employees who worked at least one pay period for Prime Lube, Inc. and/or Blue Sky Golden State, LLC in California at any time during the period from September 9, 2016, to February 10, 2022.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received this Notice?

The personnel records of Prime Lube, Inc. and/or Blue Sky Golden State, LLC ("Defendants") indicate that you may be a Class Member. The Settlement will resolve all Class Members' Released Claims, as described below, from the time period from September 9, 2016, to February 10, 2022 (the "Class Period").

A Preliminary Approval Hearing was held on March 1, 2022, in the Superior Court of California, County of San Bernardino. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed settlement on June 30, 2022 2022 at 10:00 a.m., before Hon. David Cohn, located at 247 West 3rd Street, San Bernardino, California 92415, Department S-26.

2. What Is this Case About?

On July 31, 2020, Plaintiff Aharon Spry ("Plaintiff Spry"), represented by Justice Law Corporation, provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

On September 9, 2020, Plaintiff Spry filed a wage-and-hour class action lawsuit against Defendants in the Superior Court of California, County of San Bernardino, Case Number CIVDS2018738, alleging the following causes of action: (1) violation of Labor Code sections 510 and 1198 (unpaid overtime); (2) violation of Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) violation of Labor Code section 226.7 (unpaid rest period premiums); (4) violation of Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) violation of Labor Code sections 201 and 202 (final wages not timely paid); (6) violation of Labor Code section 226(a) (noncompliant wage statements); (7) violation of Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) violation of Business & Professions Code sections 17200, *et seq.* (the "Spry Action").

On February 9, 2021, Plaintiff Christopher Carrillo ("Plaintiff Carrillo"), represented The Nourmand Law Firm, APC, provided written notice to the LWDA and Defendants of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

On February 9, 2021, Plaintiff Carrillo filed a wage-and-hour class action lawsuit against Defendants in the Superior Court of California, County of Riverside, Case Number CVR12100655, alleging the following claims: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to pay all wages upon termination; (6) failure to provide accurate wage statements; (7) failure to reimburse employees for business related expenses; and (8) engagement in unfair competition (the "Carrillo Action").

On September 9, 2021, Plaintiff Carrillo filed a First Amended Class Action Complaint against Defendants in the Superior Court of California, County of Riverside, adding a ninth (9th) cause of action for violation of Labor Code section 2698, *et seq.* (Private Attorneys General Act of 2004 ("PAGA")).

Plaintiff Spry, Plaintiff Carrillo, and Defendants (collectively, the "Parties") attended mediation on the claims alleged in both the Spry Action and the Carrillo Action on November 12, 2021. Under the auspices of mediator Jeffrey Krivis, Esq., the Parties were able to reach a settlement of Plaintiffs' claims.

In line with the Parties' decision to settle, Plaintiff Carrillo dismissed the Carrillo Action, without prejudice, pending in the Superior Court of California, County of Riverside, Case Number CVR12100655. The Parties also stipulated to the filing of a First Amended Complaint for the Spry Action in the Superior Court of California, County of San Bernardino, Case Number CIVDS2018738. The First Amended Complaint will add Plaintiff Carrillo as an additional plaintiff and class representative, update the Class definition, and add a cause of action for violation of Labor Code section 2698, *et seq.* (PAGA).

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendants; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all Parties avoid the risks and cost of a trial.

Defendants expressly deny that they did anything wrong or that they violated the law and further deny any liability whatsoever to Plaintiffs or to the Class.

Am I a Class Member?

3.

4.

You are a Class Member if you are currently or were formerly employed as an hourly non-exempt employee who worked at least one pay period for Defendants in California at any time during the period from September 9, 2016, to February 10, 2022.

How Does this Class Action Settlement Work?

In this Class Action, Plaintiffs sued on behalf of themselves and all other similarly situated individuals who were employed as hourly non-exempt employees who worked at least one pay period for Defendants in California at any time during the Class Period. Plaintiffs and these other current and former employees comprise a "Class" and are "Class Members." The settlement of this Class Action resolves the Released Claims (defined in Section No. 9 below) of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiffs and Plaintiffs' counsel (also, "Class Counsel") believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact Class Counsel, whose contact information is below, and they will provide you with copies free of charge.

5. Who Are the Attorneys Representing the Parties? Attorneys for Plaintiffs and the Class **Attorneys for Defendants** JUSTICE LAW CORPORATION **LEWIS BRISBOIS BISGAARD & SMITH, LLP** Attorneys for Plaintiff Aharon Spry Katherine C. Den Bleyker Douglas Han Michael P. Witczak 663 West 5th Street, Suite 4000 Shunt Tatavos-Gharajeh Los Angeles, California 90071 Phillip Song 751 N. Fair Oaks Avenue, Suite 101 Telephone: (213) 250-1800 Pasadena, California 91103 Facsimile: (213) 250-7900 Telephone: (818) 230-7502 Facsimile: (818) 230-7259 THE NOURMAND LAW FIRM, APC Attorneys for Plaintiff Christopher Carrillo Michael Nourmand James A. De Sario 8822 West Olympic Boulevard Beverly Hills, California 90211 Telephone: (310) 553-3600 Facsimile: (310) 553-3603

The Court has decided that Justice Law Corporation and The Nourmand Law Firm, APC are qualified to represent you and all other Class Members simultaneously.

Class Counsel are working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

<u>Important Note</u>: Defendants will not retaliate against you in any way for either participating or not participating in this Settlement.

• Do Nothing:	If you do nothing and the Court grants final approval of the Settlement, you will become part of this lawsuit and will receive an Individual Settlement Share based on the total number of workweeks you were employed as an hourly non-exempt employee of Defendants in California during the Class Period. You will release all the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.
• Opt Out:	If you do not want to participate as a Class Member, you may "opt out," which will remove you from the Class and this Action. If the Court grants final approval of the Settlement, you will not receive an Individual Settlement Share, and you will not give up the right to sue the Released Parties, including Defendants, for any the Released Claims as defined in Section No. 9 below.
• Object:	You may mail a legal objection to the proposed Settlement. If you would like to object, you may not opt out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled "How Do I Opt Out or Exclude Myself from this Settlement?" and "How Do I Object to the Settlement?"

Regardless of which option you choose, you must keep the Settlement Administrator advised of any change of address.

7. How Do I Opt Out or Exclude Myself from this Settlement?

If you do not wish to participate in the Settlement, you may be excluded from the Settlement (*i.e.*, "opt out") by sending a timely request for exclusion. A form ("ELECTION NOT TO PARTICIPATE IN ('OPT OUT' FROM) CLASS ACTION SETTLEMENT") ("Exclusion Form") has been provided to you along with this Notice, which can be used for this purpose; alternatively, you can submit your own written document that includes this same information. If you opt out of the Settlement, you will not be releasing the claims set forth in Section No. 9. If you opt out of the Settlement, the amount to be paid by Defendants will not decrease and will remain the same. The request for exclusion must be signed, dated, and mailed by first-class U.S. Mail, **postmarked no later than** <u>May 23, 2022</u> ("Response Deadline") to: **PRIME LUBE, INC., et al. SETTLEMENT ADMINISTRATOR C/O PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS, PO Box 7208, Orange, California 92863**. You cannot exclude yourself by phone.

Eligible Aggrieved Employees May Not Opt Out of PAGA Settlement. Notwithstanding the foregoing, you do not have the right to opt out or otherwise exclude yourself from the PAGA portion of the Settlement, which releases the PAGA Released Claims, as described in section III(L) of the Settlement Agreement. If you submit a valid and timely request for exclusion, you will still receive your share of the PAGA Payment and will release the PAGA Released Claims.

If you received a remailed Class Notice and Exclusion Form (collectively, "Notice Packet"), whether by skip-trace or forwarded mail, you will have an additional ten (10) calendar days from the original Response Deadline to postmark a request for exclusion or an objection to the Settlement. The envelope should indicate whether the Notice Packet has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event the deadline is challenged.

The Court will exclude any Class Member who submits a complete and timely request for exclusion as described in the paragraph above. The request for exclusion must: (a) include the Class Member's name and address, and the last four digits of the Class Member's Social Security Number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member or his or her lawful representative; and (d) be postmarked no later than <u>May 23, 2022</u>. Requests for exclusion that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Any Class Member who fails to submit a valid and timely request for exclusion on or before the above-specified Response Deadline shall be bound by all terms of the Settlement, release, and any Judgment entered in the Class Action if the Settlement receives final approval from the Court.

You are responsible for ensuring that the Settlement Administrator receives any request for exclusion you submit.

8. How Do I Object to the Settlement?

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by mailing an objection to the Settlement Administrator at PO Box 7208, Orange, California 92863 by <u>May 23, 2022</u>. The objection must: (a) state the objecting Class Member's full name, address, and telephone number, as well as the name and address of counsel, if any; (b) include the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list any identifying witness(es) the objecting Class Member may call to testify at the Final Approval Hearing; (e) include true and correct copies of any exhibit(s) the objecting Class Member intends to offer at the Final Approval Hearing; (f) be signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.

Class Members may appear at the Final Approval Hearing, either in person or through the objecting Class Member's own counsel and orally object to the Settlement. Class Members' timely and valid objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing.

Class Members who fail to object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator postmarked on or before May 23, 2022.

If the Court rejects the notice of objection, the Class Member will receive an Individual Settlement Share and will be bound by the terms of the Settlement.

9. How Does this Settlement Affect My Rights? What Are the Released Claims?

Released Parties.

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will fully and finally release and discharge Defendants and their former, present and future owners, each of their respective parent companies, and subsidiaries, and all of their current, former and future spouse(s), children, officers, directors, members, managers, management companies, agents (including without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, or legal representatives ("Released Parties").

Released Claims.

Upon Court approval of the Settlement and Defendants' fulfillment of their payment obligations pursuant to section III (J)(8)(a) of the Agreement, the claims that Plaintiffs and the other Participating Class Members are releasing in exchange for the consideration provided for by the Agreement are all claims, rights, demands, damages, liabilities and causes of action, in law or in equity, arising at any time during the Class Period, including but not limited to the causes of action alleged in the Complaints, Plaintiffs' letters to the LWDA, or that could have arisen out of or been alleged based on the facts pleaded. The released claims include, but are not limited to, claims pursuant to Labor Code sections 200, 218.6, 510, 1198, 226.7, 512, 1194, 1194.2, 1197, 1199, 1021.5, 201, 202, 203, 204, 226, 2800, 2802, 2698, *et seq.*, and Business and Professions Code section 17200, *et seq.*

10. How Much Can I Expect to Receive from this Settlement?

The total maximum amount that Defendants could be required to pay under the Settlement Agreement shall be up to but no more than \$210,000 ("Gross Settlement Amount").

The Net Settlement Amount means the portion of the Gross Settlement Amount available for distribution to all Class Members who do not submit valid and timely requests to exclude themselves from the Settlement ("Participating Class Members") after the deduction of: (1) the Class Representative Enhancement Payments in the sum of \$7,500 to each Plaintiff for the prosecution of the Class Action, undertaking the risk of paying attorneys' fees and costs in the event the Class Action had not successfully resolved, and a general release of all claims; (2) Administration Costs to the Settlement Administrator, Phoenix Class Action Administration Solutions, in an amount currently estimated at \$5,000 and not to exceed \$7,500; (3) the PAGA Payment of \$10,000, seventy-five percent (75%) of which (\$7,500) shall be paid to the LWDA, and twenty-five percent (25%) of which (\$2,500) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis; (4) the Attorney Fee Award to Class Counsel in an amount not to exceed \$73,500 (35% of the Gross Settlement Amount); and (5) the Cost Award to Class Counsel in an amount not to exceed \$20,000 for litigation costs. All these payments are subject to Court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount will be proportionately distributed among all Participating Class Members. The Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to: (i) the number of weeks he or she worked as an hourly non-exempt employee for Defendants in California during the Class Period, based on the Class Data provided by Defendants, divided by (ii) the total number of weeks worked by any and all Participating Class Members collectively, during the Class Period based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until the time during which Class Members may object to or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount is as follows: \$______, less taxes. This is based on Defendants' records, which show you worked workweeks during the Class Period.

If you believe the number of eligible workweeks with which you have been credited is incorrect, you must provide documentation and/or an explanation showing contrary information to the Settlement Administrator at PO Box 7208, Orange, California 92863 on or before <u>May 23, 2022</u>. If you do not provide documents and/or an explanation supporting your challenge, the number of workweeks reported in Defendants' records will be presumed correct, and your challenge will be rejected by the Settlement Administrator. Class Counsel and Counsel for Defendants will review any evidence submitted and will make a final determination as to the number of eligible workweeks with which you will be credited.

Each Participating Class Member's Individual Settlement Share will be apportioned as follows: twenty percent (20%) as payment for alleged unpaid wages and eighty percent (80%) as alleged unpaid interest and unpaid civil penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. The employees' share of payroll tax withholdings shall be withheld from each person's Individual Settlement Share.

Upon the Effective Final Settlement Date, Defendants shall deposit the Gross Settlement Amount of \$210,000 into the Qualified Settlement Fund. Defendants shall also at this time provide any tax information that the Settlement Administrator may need to calculate each Participating Class Member's Individual Settlement Share. Within fourteen (14) calendar days after the funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payments, the PAGA Payment, and the Administration Costs. The Settlement Administrator will also forward a check for seventy-five percent (75%) of the PAGA Payment (\$7,500) to the LWDA for settlement of the PAGA claims.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks, and pay the amount of the Individual Settlement Shares to the California State Controller: Unpaid Wage Fund.

11. What Is the PAGA Payment and Am I Eligible for It?

Under the terms of the Settlement, \$10,000 has been set aside as the PAGA Payment. This portion is the total amount of civil penalties collected on behalf of the State of California. Of this \$10,000, \$7,500 will be sent to the State of California. Eligible Aggrieved Employees will share the remaining \$2,500, based on the number of pay periods they worked during the PAGA Period.

You are an Eligible Aggrieved Employee who is eligible to share in the PAGA Payment under the Settlement, if you are a current or former non-exempt employee who worked at least one pay period for Defendants in California at any time during the period from July 31, 2019, to February 10, 2022 ("PAGA Timeframe").

The Settlement Administrator shall pay each Eligible Aggrieved Employee according to his or her proportional share, which will be based upon the total number of pay periods the Eligible Aggrieved Employee worked for Defendants in California during the PAGA Timeframe. Each individual share will be calculated by: (i) determining the total number of pay periods during the PAGA Timeframe during which the Eligible Aggrieved Employee was employed, (ii) dividing this number by the total number of pay periods of employment for all Eligible Aggrieved Employees), and (iii) multiplying this number by the \$2,500 allocated to the Eligible Aggrieved Employees.

Based on the total number of pay periods during the PAGA Timeframe during which you were employed, your individual share of the PAGA Payment is \$_____. This is based on Defendants' records, which show you worked ____ pay periods during the PAGA Timeframe.

If you believe the number of eligible pay periods with which you have been credited is incorrect, you must provide documentation and/or an explanation showing contrary information to the Settlement Administrator at PO Box 7208, Orange, California 92863 on or before <u>May 23, 2022</u>. If you do not provide documents and/or an explanation supporting your challenge, the number of pay periods reported in Defendants' records will be presumed correct, and your challenge will be rejected by the Settlement Administrator. Class Counsel and Counsel for Defendants will review any evidence submitted and will make a final determination as to the number of eligible pay periods with which you will be credited.

Each Eligible Aggrieved Employee's portion of the PAGA Payment will be allocated as one hundred percent (100%) penalties and will be issued an IRS form 1099 if it exceeds \$600. You are responsible for paying any federal, state, or local taxes owed because of this payment.

Settlement checks issued to the Eligible Aggrieved Employees pursuant to the Agreement shall expire one hundred eighty (180) calendar days after the date they are initially mailed by the Settlement Administrator. After one hundred eighty (180) calendar days, any unclaimed funds shall be turned over by the Settlement Administrator to the California State Controller: Unpaid Wage Fund. Eligible Aggrieved Employees shall not have the right to opt out of the PAGA portion of the settlement.

Because these penalties can only be sought by California, you cannot exclude yourself from the PAGA portion of the Settlement if the Court gives final approval.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

12. How Will the Attorneys for the Class and the Class Representatives Be Paid?

The attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiffs and the Class shall be paid an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (or \$73,500) for attorneys' fees and up to \$20,000 for litigation costs.

Defendants have paid all their own attorneys' fees and costs.

As set forth in Section No. 10 above, the Plaintiffs will also be paid Class Representative Enhancement Payments, subject to Court approval.

13. Final Approval Hearing

The Court will hold a Final Fairness and Approval Hearing concerning the proposed settlement on June 30, 2022 at 10:00 a.m., before Hon. David Cohn, located at 247 West 3rd Street, San Bernardino, California 92415, Department S-26. You are not required to appear at this hearing. Any changes to the hearing date will be available on the website http://www.phoenixclassaction.com/.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel, listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the "Prime Lube, Inc., et al. class action settlement."

This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the San Bernardino County Superior Court at 247 West 3rd Street, San Bernardino, California 92415 between 8:00 a.m. and 4:00 p.m.

You may also contact Class Counsel by visiting Justice Law Corporation at 751 North Fair Oaks Avenue, Suite 101, Pasadena, California 91103 or The Nourmand Law Firm, APC at 8822 West Olympic Boulevard, Beverly Hills, California 90211during regular business hours, from 9:00 a.m. to 6:00 p.m., or by calling (818) 230-7502 or (310) 553-3600. Class Counsel will provide you with an electronic copy of the Settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.