

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

Ceja Ruiz and Labo v. Automotive Racing Products, Inc.
Case No. 2023CUOE011192 (Ventura County Superior Court)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Automotive Racing Products, Inc. (“ARP” or “Defendant”) for alleged wage and hour violations. The Action was filed by former ARP employees Alfonso Ceja Ruiz and Reynaldo Labo (“Plaintiffs”) and seeks payment of (1) wages and penalties for a class of non-exempt, hourly employees that worked for Defendant in California (“Class Members”) during the Class Period (July 10, 2019 through August 12, 2024); and (2) penalties under the California Private Attorney General Act (“PAGA”) for non-exempt, hourly individuals that worked for Defendant in California during the PAGA Period (June 13, 2022 through August 12, 2024) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring ARP to fund Individual Class Payments, and (2) a PAGA Settlement requiring ARP to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant Final Approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a Judgment that requires ARP to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against ARP.

If you worked for ARP during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against ARP.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against ARP, and, if you are an Aggrieved Employee, remain

eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

ARP will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against ARP that are covered by this Settlement (Released Claims).
You Can Opt-Out of the Class Settlement But Not the PAGA Settlement The Opt-Out Deadline is <u>June 19, 2025</u>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. ARP must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
Participating Class Members Can Object to the Class Settlement But Not the PAGA Settlement Written Objections Must be Submitted by <u>June 19, 2025</u>	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the August 13, 2025, Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on August 13, 2025. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

<p>You Can Challenge the Calculation of Your Workweeks/Pay Periods</p> <p>Written Challenges Must be Submitted by <u>June 19, 2025</u></p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many Workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to ARP's records is stated in the postcard Notice that was mailed to you. If you disagree with either of these numbers, you must challenge it by June 19, 2025. See Section 4 of this Notice.</p>
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former ARP employees. The Action accuses ARP of violating California labor laws for its failure to reimburse necessary business expenses in violation of Labor Code section 2802; Defendants' failure to pay minimum, contractual, and overtime wages in violation of Labor Code sections 1194, 1197, 510, and 218.5 (including that Defendants had a consistent policy or practice of failing to pay Employees overtime compensation at premium overtime rates for all hours worked in excess of eight hours a day and/or forty hours a week, and double-time rates for all hours worked in excess of twelve hours a day, in violation of Labor Code § 510 and the corresponding sections of IWC Wage Orders); Defendants' failure to pay vacation wages in violation of Labor Code section 227.3; Defendants' failure to comply with Labor Code § 245, et seq. and 246; Defendants' failure to provide meal periods in violation of Labor Code section 226.7; Defendants' failure to provide rest periods in violation of Labor Code section 226.7; Defendants' failure to provide accurate wage statements in violation of Labor Code section 226; Defendants' failure to pay all wages due at separation in violation of Labor Code sections 201, 202, and 203; and Defendants' acts of unfair competition in violation of the California Unfair Competition Law (Bus. & Profs. Code § 17200, et seq.). Plaintiffs also brought claims as lawfully delegated representatives of the California Labor and Workforce Development Agency ("LWDA"), brought a claim for violations of the California Labor Code under the Private Attorneys General Act (Cal. Lab. Code §§ 2698 et seq.; "PAGA"), including Cal/OSHA violations. Plaintiffs are represented by attorneys in the Action ("Class Counsel"):

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ARP denies all liability and is confident it has strong legal and factual defenses to these claims, but recognizes the risks, distractions, and costs associated with continued litigation. ARP contends that its business practices are and have been lawful at all relevant times and that Plaintiffs' claims are without merit and fail to satisfy the requirements for class certification. This Settlement is a compromise, reached after good faith, arm's-length negotiations between Plaintiffs and ARP and is not an admission of liability by ARP. All Parties agree that, considering the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable. Plaintiffs also believe this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiffs' claims or ARP's defenses.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether ARP or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and ARP hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a Judgment ending the Action and enforcing the Agreement, Plaintiffs and ARP have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, ARP does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) ARP has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- i. ARP Will Pay \$1,970,000 as the Gross Settlement Amount (Gross Settlement). ARP has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative

Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, ARP will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

- ii. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$ 656,666,66 (1/3 of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$25,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500 to Plaintiff Labo and up to \$5,000 to Plaintiff Ceja Ruiz as Class Representative Awards for filing the Action, working with Class Counsel and representing the Class. Under the Class Action and PAGA Settlement, the Class Representative Awards will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$11,000 to the Administrator for services administering the Settlement.
 - D. Up to \$197,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- iii. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- iv. Taxes Owed on Payments to Class Members. Plaintiffs and ARP are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties [e.g., interest, expense reimbursements, penalties etc.] ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. ARP will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will

report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and ARP have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- v. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably be lost to you because they will be paid to a non-profit organization or foundation ("Cy Pres").
- vi. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than June 19, 2025, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the June 19, 2025 Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against ARP.

You cannot opt out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against ARP based on the PAGA Period facts alleged in the Action.
- vii. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and ARP have agreed that, in either case, the Settlement will be void: ARP will not pay any money and Class Members will not release any claims against ARP.
- viii. Administrator. The Court has appointed a neutral company, Atticus Administration (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

- ix. Participating Class Members' Release. After the Judgment is final and ARP has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against ARP or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims, damages, debts, liabilities, demands, obligations, penalties, actions or causes of action of any kind, arising under state, federal or local law, whether statutory, common law, or administrative law, at any time during the Class Period, that were alleged, or reasonably could have been alleged, based on the facts stated in the SAC, and/or ascertained in the course of the Actions, including, e.g., claims for Defendants' failure to reimburse necessary business expenses in violation of Labor Code section 2802; Defendants' failure to pay minimum, contractual, and overtime wages in violation of Labor Code sections 1194, 1197, 510, and 218.5 and the corresponding sections of IWC Wage Orders; Defendants' failure to pay vacation wages in violation of Labor Code section 227.3; Defendants' failure to comply with Labor Code § 245, et seq. and 246; Defendants' failure to provide meal periods in violation of Labor Code section 226.7 and the corresponding sections of IWC Wage Orders; Defendants' failure to provide rest periods in violation of Labor Code section 226.7 and the corresponding sections of IWC Wage Orders; Defendants' failure to provide accurate wage statements in violation of Labor Code section 226 and the corresponding sections of the IWC Wage Orders; Defendants' failure to pay all wages due at separation in violation of Labor Code sections 201, 202, and 203 and the corresponding sections of the IWC Wage Orders; and Defendants' acts of unfair competition in violation of the California Unfair Competition Law (Bus. & Profs. Code § 17200, et seq.).

- x. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and ARP has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against ARP, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against ARP or its related entities based on the PAGA Period facts alleged in the Action, including the alleged Cal/OSHA violations, and resolved by this Settlement.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- i. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

- ii. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$49,250 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- iii. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in ARP's records, are stated in the postcard Notice that was mailed to you. You have until June 19, 2025, to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept ARP's calculation of Workweeks based on ARP's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and ARP's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- i. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't optout) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
- ii. Non-Participating Class Members Who Are Aggrieved Employees. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as **Ceja Ruiz / Labo v. Automotive Racing Products**, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by June 19, 2025, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and ARP are asking the Court to approve. At least 16 court days before the August 13, 2025, Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for fees, litigation expenses and service award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's website www.ARPSettlement.com or the Court's website <https://www.ventura.courts.ca.gov/>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for fees, litigation expenses and service award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is June 19, 2025.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as **Ceja Ruiz / Labo v. Automotive Racing Products** and include your name, current address, telephone number, and approximate dates of employment for ARP and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on August 13, 2025, at 8:30 a.m., in Department 21 of the Ventura Superior Court, located at 800 South Victoria Avenue, Ventura, CA 93009. At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website www.ARPSettlement.com beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything ARP and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Atticus Administration's Settlement website at www.ARPSettlement.com. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below. You can also access the public portal for Ventura Superior Court at <https://ventura.ecourt.com/public-portal/> and enter case number 2023CUOE011192.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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Administrator:

ARP Settlement

c/o Atticus Administration

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Saint Paul, MN 55164

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Telephone: +1 (800) 357-2021

Fax Number: 888-326-6411

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.