

# EXHIBIT 2

***Fuentes v. Jiffy Lube International, Inc., Civil Action No.: 2:18-cv-05174-AB***

**ALLOCATION PLAN FOR JIFFY LUBE SETTLEMENT**

Settlement Class Members who do not opt out of the settlement will be eligible to be paid in accordance with this Allocation Plan from the Net Settlement Fund which will equal the total \$2,000,000 settlement minus attorneys' fees and costs awarded, settlement administration costs, applicable payroll taxes, and any service award to the class representative. The Net Settlement Fund will be allocated to Settlement Class Members pro rata based on the estimated amounts that class members earned as hourly Jiffy Lube franchisee employees during the Settlement Class Period (December 1, 2014 through December 31, 2018). Settlement Class Member earnings will be estimated from the best available data (see below). The Class Notice will inform Settlement Class Members of their estimated earnings and class members will have the opportunity to correct this number by providing evidence of a different amount earned during the Settlement Class Period. The Settlement Administrator will have sole discretion to revise class members' pro rata portion of the Net Settlement Fund after considering any evidence they submit. Settlement Class Members will then automatically be paid their allocated payment from the Settlement Fund *without* having to submit a claim form.

**ESTIMATING EARNINGS DURING THE CLASS PERIOD**

Settlement Class Members' Notices will include the earnings estimate used to calculate their settlement payments. This estimate will be calculated based on the best available evidence at the time Notice is sent as well as reasonable assumptions consistently applied. In connection with this litigation, Defendant Jiffy Lube International, Inc. provided information from its GROW database. This data includes information about class members' start dates and end dates during the class period, as well as hourly rates.

Jiffy Lube Franchisees (who are not parties to this action) may have earnings data or more precise data on the number of hours worked and hourly rates for at least some class members. There are 32 franchise stores in the Philadelphia-Camden-Wilmington Metropolitan Statistical Area covered by the Settlement. These 32 stores are or were owned by four entity/ownership groups. During the litigation and settlement process, Plaintiffs subpoenaed these four franchisees to request earnings data for Settlement Class Members. Plaintiffs are working with the four franchisees and to the extent these franchisees provide additional useful information, Plaintiffs and the Settlement Administrator will use that data (along with the data from the Jiffy Lube GROW database) to ascertain, where possible, Settlement Class Members' class period earnings and to inform the Administrator about reasonable assumptions to use in estimating class period earnings for class members whose actual earnings are not available. The Revised Scheduling Order provides that Notice must be mailed on or before February 21, 2024. Prior to that date, Plaintiffs and the Settlement Administrator will estimate earnings using the best available data drawn from the GROW database and any Franchisee data which may become available. Then the Settlement Administrator will populate each Class Member's Notice with the estimated earnings used to calculate their pro rata share of the Settlement, and mail the Notices via first class U.S. mail.

In addition to having the right to object to or opt out of the Settlement, Settlement Class Members will have **48** days after Notice is mailed, until April 9, 2024, to contact the Settlement Administrator, via mail, email or the Settlement website portal and contest the earnings estimate contained in the Notice. To support a contest, the Settlement Class Member must provide evidence (e.g., documents such as pay stubs or W-2's). The website portal will allow class members to submit this evidence electronically. The Settlement Administrator will rule on these contests and its determinations will be final. The Settlement Administrator will make all final determinations within **90** days of Notice being mailed.

Once final determinations are made as to individual earnings estimates, the Settlement Administrator will calculate each class member's pro rata share of the Net Settlement Fund by dividing each class member's estimated earnings by the estimated total earnings during the class period for all class members. Each class member's settlement amount will be calculated by multiplying his or her pro rata share by the amount of the Net Settlement Fund. Settlement checks will be mailed to Settlement Class Members who will have **120** days to cash or deposit their settlement checks.

## **TAX WITHHOLDING**

The Settlement states that 1/3 of the Settlement amount is considered wages. (Settlement Agreement at ¶ 3. 1) The Settlement Administrator will effect appropriate tax withholding for 1/3 of each class member's settlement payment. In addition, the payroll taxes associated with these payments will be paid by the settlement fund. The other 2/3 of each class member's settlement payment will not be subject to withholding. Where the portion of a Settlement Class Member's award allocated to wages is \$50 or less, a de minimis threshold will apply, and the entire award will be allocated as non-wage. Where the de minimis threshold is reached, the necessary taxes will be withheld on the wage portion of the settlement and the wage deposit will be made pursuant to the law of the relevant work states of Delaware, Maryland, New Jersey or Pennsylvania. To facilitate this withholding, the Notice will ask (but not require) class members to provide social security numbers via a secure portal on the settlement website. Class counsel and the Settlement Administrator will also continue efforts to obtain social security numbers from the franchisees. These will be provided *only* to the Settlement Administrator and will be used only to effect tax withholding and reporting for this settlement. For class members whose social security numbers are not provided to the Settlement Administrator, the 2/3 of the settlement payment not subject to tax withholding will be paid over two calendar years if the total amount of this non-wage portion of settlement exceeds \$600.

## **REMAINING FUNDS**

Undistributed class member funds (e.g., for Settlement Class Members who cannot be located and/or do not cash their checks by the stale date) will be reallocated pro rata and sent in a second distribution to Settlement Class Members who deposited their settlement checks so long as

such a distribution is economically sensible in light of the amount to be distributed and the costs of a second distribution. If the sum available for a second distribution is not sufficient to render such a distribution economically sensible, or if there remain amounts undistributed after the secondary distribution, the undistributed amount will be donated, cy pres, to an appropriate non-profit organization, not affiliated with any of the parties or their counsel, to be approved by the Court. No Settlement funds will revert to Defendant.