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13 Attorneys for Plaintiffs

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA

15 FOR THE COUNTY KERN

16 Scott Carney, Romein Martinez, Donovan Last,
17 and Michael Kaveler,

18 Plaintiffs,

19 vs.

20 California Resources Corporation, Geo Drilling
21 Fluids, Inc., M-I, LLC, and Does 1 through 10,

22 Defendants.

23 And related cross-actions.

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Kern County Superior Court
By Marina Mercado, Deputy

Case No. **BCV-15-101729**

CLASS ACTION

*(Assigned to the Hon. Bernard C. Barmann, Jr.
– Dept. H)*

**Declaration of Lonnie C. Blanchard III in
Support of Motion for Preliminary
Approval of Class Action Settlement**

Date: September 15, 2025

Time: 8:30 a.m.

Dept.: H

**Declaration of Lonnie C. Blanchard III in Support of Motion for Preliminary Approval of Class
Action Settlement**

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1 I, Lonnie C. Blanchard III, declare:

- 2 1. I am an attorney admitted to practice law in the State of California. I am the sole shareholder and
3 CEO of The Blanchard Law Group, APC and one of the attorneys of record for Plaintiffs Scott
4 Carney, Donovan Last, Michael Kaveler, and Romein Martinez in this action. I have personal
5 knowledge of the facts stated in this declaration.
- 6 2. Attached as ***Exhibit 1*** is a copy of the executed Class Action and Private Attorneys General Act
7 Settlement Agreement and Release (“Settlement Agreement”).
- 8 3. The key substantive terms of the Settlement, the background of the case, and Defendants’
9 contentions are accurately summarized below and in the Memorandum of Points and Authorities
10 in support of the Motion for Preliminary Approval of Class Action Settlement.

11 **Experience of Counsel**

- 12 4. I attended UCLA School of Law and graduated in 1980. I was admitted to the California bar in
13 1980 and have been practicing as a litigation attorney in state and federal courts in California and,
14 on occasion, in other states, since such time. I am also admitted to practice before the United States
15 Supreme Court. The focus of my practice is almost exclusively civil litigation. I have extensive
16 experience in wage and hour litigation, including class actions. I also have extensive experience
17 in employment litigation, commercial litigation, and other civil litigation practice areas.
- 18 5. I have extensive experience litigating wage and hour class and PAGA actions, FCRA class actions,
19 employee rights’ claims, and other claims in federal and state court. I was counsel of record in the
20 following class and/or PAGA proceedings that were finally approved:
- 21 • *Adauto v. Door Components Inc., et al*, Case No. BC469230, California Superior Court,
22 County of Los Angeles
 - 23 • *Arce v. MV Transportation, Inc., et al*, Case No. BC457702, California Superior Court,
24 County of Los Angeles
 - 25 • *Awad v. Elemental Energy, Inc.*, Case No. 1302544, Riverside County Superior Court
 - 26 • *Ayala v. Denbeste Manufacturing, et al*, Case No. S-1500-CV-275248 WDP, California
27 Superior Court, County of Kern
 - 28 • *Borchani-Torres v. Eisenhower Medical Center*, Case No. INC1201246, California
Superior Court, County of Riverside

- Browning, et al., v. McCarthy Building Companies, Inc., Case No. 5:18-cv-05882-BLF, United States District Court, Northern District of California
- Brown and Griffin v. Steve's Oilfield Service, Inc., et al., Case No. S1500-CV-283801, Kern County Superior Court
- Camacho v. Shred-it, Case No. 39-2014-00307879-CU-OE-STK, San Joaquin County Superior Court
- Cartwright v. Brahma Group, Inc., et al., Case No. BCV-18-102027, Kern County Superior Court
- Cartwright v. Sletten Construction Company, et al., Case No. 18CV04532, Santa Barbara Superior Court
- Deprizito, et al. v. PAMA Management, Inc., et al., Case No. BC723619, Los Angeles County Superior Court
- Erlandsen v. FlexCare, LLC, et al., Case No. 1390595, California Superior Court, County of Santa Barbara
- Espinoza, Wade v. Defender Security Company, Case No. 2:15-cv-7142-CAS-JC, United States District Court, Central District of California – Western Division
- Gonzalez v. Corrections Corporation of America, Case No. 1:16-cv-01891, United States District Court, Eastern District of California
- Grande v. Lawrence Recruiting Specialists d/b/a LRS Healthcare, Case No. 57 160 00080 13, American Arbitration Claim
- Grice v. Pepsi Beverages Company, Case No. 1:17-cv-08853-JPO, United States District Court, Southern District of New York
- Haakstad, et al. v. Fondnazio, et al., Case No. C15-02074, Contra Costa County Superior Court
- Hebert v. Barnes & Noble, Inc., Case No. 37-2019-00007178-CU-MC-CTL, San Diego County Superior Court
- Hebert v. Valley Children's Hospital., Case No. MCV076409, Mader County Superior Court
- Johnson v. Field Nation, LLC, et al., 01-22-0005-2476, American Arbitration Association
- Judge v. PAMA, et al, Case No. 72 160 00975 12, American Arbitration Association
- Kalin, et al. v. Apple Inc., Case No. 13-CV-03451-WHA, United States District Court, Northern District of California
- Kirchner v. Shred-it USA Inc., CIV. 2:14-1437 WBS, 2014 WL 6685210 (E.D. Cal. Nov. 25, 2014)
- Lady v. Sacramento Drilling, Inc., et al., Case No. CU-18-00150, San Benito County Superior Court

- 1 • Lagos v. The Leland Stanford Junior University, Case No. 115CV284784, Santa Clara
2 County Superior Court
- 3 • Liggitt v. Trueblue, Inc., et al., Case No. RIC1509572, Riverside County Superior Court
- 4 • Larroque v. First Advantage LNS Screening Solutions, Inc., et al., Case No. CAV 535083,
5 San Mateo County Superior Court
- 6 • Martinez-Taft v. Children's Hospital Central California, Case No. MCV066748, California
7 Superior Court, County of Madera
- 8 • Meza v. LinkUs Enterprises, Inc., et al, Case No. S-1500-CV-274733 LHB, California
9 Superior Court, County of Kern
- 10 • Miller v. Mud-Check, Inc., et al., Case No. BCV-15-100921, Kern County Superior Court
- 11 • Oropeza v. Pick-N-Pull Auto Dismantlers, et al., Case No. RG11560441, Superior Court of
12 California, County of Alameda
- 13 • Poisson v. Dispatch Transportation, Inc., et al., Case No. RIC1504851, Riverside County
14 Superior Court
- 15 • Poisson v. Neal Trucking, Inc., et al., Case No. EDCV13-2241, United States District
16 Court, Central District of California
- 17 • Robinson v. Turning Point of Central California, Inc., Case No. 14CECG03685, California
18 Superior Court, County of Fresno
- 19 • Sander v. Shipt, Inc., Case No. RG19031481, Alameda County Superior Court
- 20 • Shakespeare, et al. v. Ameri-Force Craft Services, Inc., Case No. 37-2021-00013962-CU-
21 OE-CTL, California Superior Court, County of San Diego
- 22 • Shakespeare and Hood v. National Steel and Shipbuilding Company, Case No. 37-2021-
23 00013962-CU-OE-CTL, San Diego Superior Court
- 24 • Stone v. Universal Protection Service, Case No. 01-15-0002-7497, American Arbitration
25 Association
- 26 • Syed, et al. v. M-I LLC, Case No. 1:12-cv-01718-AWI-MJS, United States District Court,
27 Eastern District of California
- 28 • Syed v. M-I LLC, et al., Case No. 1:14-cv-00742-WBS-BAM, United States District Court,
Eastern District of California
- Terry v. Ulta Salon, Cosmetics & Fragrance, Inc., Case No. 4:18-cv-07683-JST, United
States District Court, Northern District of California
- Travis v. AMN Staffing Services, LLC, Kaiser Foundation Hospitals, Case No.
24STCV02711, Los Angeles Superior Court
- Tuliau v. The Kroger Co., Ralphs Grocery Company, Case No. RIC2002168, Riverside
Superior Court
- Watson v. Wells Fargo Bank, N.A., Case No. BC559193, Los Angeles County Superior
Court

- Weitz v. TakeLessons, Inc., Case No. 37-2024-00007416-CU-OE-CTL, San Diego Superior Court
- Wortham, et al. v. Turning Point of Central California, Inc., Case No. 15CECG02618, California superior Court, County of Fresno

6. I am counsel of record in at least 23 pending class and/or PAGA actions.

Summary of the Litigation

7. On December 21, 2015, Plaintiff Scott Carney filed a Class Action Complaint in the Superior Court of the County of Kern, California against CRC and Geo, *inter alia*. On March 25, 2020, a First Amended Class Action Complaint was filed adding Romein Martinez as an additional Plaintiff. On March 9, 2021, a Second Amended Complaint was filed adding Donovan Last as an additional Plaintiff. The Parties have agreed and stipulated that Plaintiffs will file a Third Amended Complaint naming MI as a defendant in the *Carney* Action and adding Michael Kaveler as a named plaintiff and Class Representative for the *Last* Class.
8. On April 7, 2022, Defendant CRC filed a Cross-Complaint against MI. On October 5, 2022, CRC filed its First Amended Cross-Complaint. On February 21, 2023, CRC filed its Second Amended Cross-Complaint. MI filed its Cross-Complaint against CRC on May 11, 2023.
9. On May 20, 2020, Plaintiff Donovan Last filed a Class Action Complaint in the Superior Court of the County of Kern, California, against MI, which MI removed to the Eastern District of California. Named plaintiff Donovan Last sought to represent a class of all Drilling Fluid Specialists who were employed by or performed work for MI in California during the four years preceding the filing of the complaint. The *Last* Action includes claims for failure to pay compensation due, meal and rest period violations, wage statement violations, failure to timely pay wages upon termination, violation of California Bus. and Prof. Code §§ 17200 *et seq.*, and penalties pursuant to the PAGA.
10. On February 12, 2024, the United States District Court for the Eastern District of California in the *Last* Action granted MI's motion to compel arbitration of Plaintiff Last's claims, denied his motion for certification as moot, and stayed further action in the case pending the outcome of that arbitration.

11. Plaintiffs allege that CRC, Geo, and MI were the Class Members' joint employers and, among other things, that each of them failed to pay the Class Members for all hours worked, failed to pay them the overtime to which they were entitled, failed to provide meal and rest periods, failed to provide legally compliant wage statements, and failed to pay all wages owed upon termination. Plaintiffs Carney and Last also allege claims under the PAGA.
12. On February 16, 2018, Counsel for CRC, Counsel for Geo, and Counsel for Plaintiffs attended a mediation session with Hon. Linda Quinn, that ultimately failed. On January 19, 2022, the same parties attended a second mediation session with Tripper Ortman, a mediator with significant experience in wage and hour class actions. Each party was represented by its respective counsel during the good-faith negotiations facilitated by Mr. Ortman. That mediation also failed. After much discussion, the same parties scheduled a third mediation session again with Mr. Ortman on February 6, 2024. That mediation also failed. However, because of that mediation and Mr. Ortman's mediator's proposal, the Parties had further very extensive negotiations and ultimately reached an agreement in principle to resolve the actions. It took almost an entire additional year for the parties to complete their negotiations that resulted in the settlement agreement that is the subject of this motion.
13. **Extensive Written Discovery.** In these combined cases, there has been extensive written discovery. Among other things, there have been *4 sets* of discovery from Plaintiffs to CRC; *3 sets* of discovery from Plaintiffs to GEO; *2 sets* of discovery from CRC to Plaintiff Carney; *1 set* from MI to each of the Plaintiffs Carney, Martinez and Last; *3 sets* of discovery from CRC to MI; and *3 sets* of discovery from MI to CRC. The *Last* case included *2 sets* of discovery to MI, *2 sets* of discovery to plaintiff, *29 depositions*, *8 motions to compel* and *1 motion for discovery sanctions*.
- Briefings and Proceedings.** Including but not limited to bankruptcy proceedings, CRC's Demurrer to Plaintiff's First Amended Complaint, MI's Demurrer of CRC's Cross-Complaint, First Amended Complaint and Second Amended Complaint, Motion to Amended to Add Additional Plaintiffs, CRC's Motion to Bifurcate, MI's Motion to Dismiss CRC's Cross-Complaint, MI's Motion to Quash Plaintiffs' Subpoena, Geo's Motion to Strike Class, a Motion

1 for Summary Judgment by CRC as to Plaintiffs' Claims in the *Carney* case, three additional
2 Motions for Summary Judgment by MI as to Certain Classes that were fully briefed but later
3 withdrawn without a hearing, Motion for Certification, 2 Cross-Complaints for Indemnification
4 and many Motions challenging these indemnity claims, which included extensive calculations by
5 expert witnesses. In addition to the above, the *Last* case included a Motion to Compel Arbitration,
6 Motion for Class Certification, Motion to Quash, and a Motion to Strike a transcript errata sheet.
7 **Mediations and Settlement Negotiations.** The parties participated in *3 failed mediations* and a
8 *mandatory settlement conference*. After these extensive negotiations to strike the initial settlement
9 deal in concept, the negotiations of the final settlement agreement took just *short of one entire*
10 *year* to document between the four parties and the four sets of experienced legal counsel for the
11 Plaintiffs, CRC, MI and GEO. The settlement deal in concept was struck on or about July 3, 2024.
12 The settlement agreement was not fully signed until June 19, 2025.

13 **Enhancement Award to Class Representatives**

- 14 14. Plaintiffs incurred substantial risk in undertaking this litigation, including the potential liability for
15 costs of suit. Defendants will not oppose Plaintiffs' request for enhancement awards of up to
16 \$10,000 to Plaintiff Carney, Last and Kaveler. These amounts will be paid from the Maximum
17 Gross Settlement Amount. If the Court reduces any of the enhancement awards to amounts less
18 than \$10,000 each, the un-awarded amounts shall be added into the Maximum Settlement
19 Distribution Amount and will be available to the Class Members for distribution.
- 20 15. Plaintiffs have taken extraordinary steps to challenge Defendants' actions by bringing this action.
21 Plaintiffs did so in the belief that they and the class members were entitled to the relief sought in
22 this case. Plaintiffs' actions have resulted in a substantial recovery for the class members, and the
23 enhancement awards sought for Plaintiffs are reasonable. Absent the actions taken by Plaintiffs,
24 none of the Class Members would have reaped the rewards of this action.

25 **Attorneys' Fees and Costs**

- 26 16. Defendants agree not to oppose an award of attorney's fees to Class Counsel of up to \$6,000,000
27 of the Settlement Amount, which is one-third of Settlement Amount, to compensate and reimburse
28

1 Class Counsel for all of the work already performed by Class Counsel in this case and all of the
2 work that remains to be performed by Class Counsel in securing Court approval of the Settlement
3 preliminarily and finally, ensuring that the Settlement is implemented and administered fairly, and
4 obtaining entry of Judgment.

- 5 17. The Attorney's fees shall be in addition to the payment of litigation costs and expenses incurred
6 by me and my co-counsel, in an amount not to exceed \$200,000, as awarded by the Court.

7 **A One-Third Fee is Appropriate in This Case.**

- 8 18. Our request for attorney's fees of one-third of the \$18,000,000 gross settlement is fair and
9 reasonable. In fact, this amount is well-earned, supported by controlling case law, and is within
10 the fee range awarded by courts in similar complex cases. Courts in class actions have awarded
11 one-third of common funds obtained by class counsel in many state and federal court cases.

12 **Contingency Nature of Representation**

- 13 19. My co-counsel and I have performed extensive work over many years in this case and we have
14 done this work all on contingency. In litigating this case against Defendants, my co-counsel and I
15 along with Plaintiffs faced serious risks, including the risk that Plaintiffs' theory of liability may
16 ultimately be rejected by the Court or Court of Appeal. Despite this, we achieved an outstanding
17 result for the Settlement Class.

- 18 20. My co-counsel and I were aware of the risks involved with taking on this representation and we
19 have had the full intention of seeing it to the end, including through any appeals. Also, Class
20 Counsel were opposed by attorneys from experienced and well-qualified defense firms with the
21 resources of a large corporate clients at their disposal.

- 22 21. Given the highly uncertain current landscape of the legal issues involved, coupled with the ensuing
23 risks of lengthy appeals and risk of no recovery, the excellent result achieved shows that the
24 amounts allocated to both attorney's fees and costs under the Settlement warrant this Court's
25 approval.

The Fee Request is Justified by a Lode-star Analysis

22. Class Counsels' requested attorney's fees are also justified under the lodestar method. Using Class Counsels' normal hourly rates, the "lodestar" fees incurred and reasonably estimated to be incurred by Class Counsel (excluding paralegal hours for the Dion-Kindem Law Firm and The Blanchard Law Group, APC), is as follows:

Attorney	Hours	Rate	Fees
Lonnie C. Blanchard III	3,470	\$1,141	\$3,959,270.00
Peter R. Dion-Kindem	2,362	\$1,141	\$2,695,042.00
		Total:	\$6,654,312.00
		Fees Sought:	\$6,000,000.00
		Multiplier:	0.90

23. I have incurred at least 3,470 hours of time in this matter to date, which time was reasonable and necessary.
24. Attached hereto as ***Exhibit 2*** is a true and correct copy of the 6/01/24 - 5/31/25 Laffey Matrix for attorney billing rates in major U.S. Cities. This has been used by courts in determining appropriate rates when calculating fee awards. The rates are adjusted based on the location of where the fees were incurred.
25. For an attorney of my experience (20+ years), the index demonstrates a rate of \$1,141 per hour for attorneys in the District of Columbia. Attached hereto as ***Exhibit 3*** is a true and correct copy of the locality pay salary table demonstrating a locality pay of 33.94% for the District of Columbia. Attached hereto as ***Exhibit 4*** is a true and correct copy of the locality pay salary table for Los Angeles, which has a 36.47% locality payment. Using the differential on locality pay between the District of Columbia and Los Angeles yields a multiplier of 2.53% (36.47 – 33.94). When applied to the Laffey Matrix, this multiplier yields an hourly rate for attorneys with 20+ years practicing in Los Angeles of approximately \$1,170 per hour. My requested \$1,141 rate is therefore supported by the Laffey Matrix and compares favorably to the hourly rates being charged by other attorneys with my experience in class actions. This rate is reasonable for the level of services provided by me and my experience. Defense counsel for CRC (Keith Jacoby of Littler Mendelson and Jon

Hawk of McDermott Will & Emery LLP) are officed in Los Angeles County and Orange County, California and Defense Counsel for Geo is officed in Orange County, California. The article attached hereto as ***Exhibit 5*** states that half of the AMLAW 50 law firm have partner rates of more than \$1000 per hour and some have rates as high as \$3000 per hour. In fact, the article reports that McDermott Will & Emery LLP (which is Jon Hawk's law firm) charged partner rates of \$2590 per hour in a 2023 bankruptcy case.

26. The time spent by the Plaintiffs' counsel on this case is consistent with the level of effort necessary to bring this factually and data intensive case to a resolution. In addition, many of the factors supporting a multiplier of greater than 1.0 are present here, including the risk of an uncertain result, the contingent nature of the work, and most significantly here, the result obtained.

Payment to Class Members

27. An Escrow Account has already been opened by the Settlement Administrator, and the account will be funded pursuant to Defendants Confidential Allocation Agreement prior to the hearing on this Motion for Preliminary Approval.
28. Within seven (7) calendar days after the Court enters its Preliminary Approval Order, the Defendants will provide to the Settlement Administrator a database that lists: each Class Member and PAGA Employees, the individual name, Social Security Number (if known), last known or reported address, and telephone number (if known). If Defendants cannot provide such information to the Settlement Administrator within that seven-day period because all (or some part) is not available to Defendants from the third party vendors which it contracted with to obtain Class Members, such period (and any other necessary dates dependent upon that seven-day period) shall automatically be extended by a period up to 45 days so that the Parties may attempt to obtain said information from these vendors and provide it to the Settlement Administrator. If further extensions are required, the Parties will agree to them in writing.
29. The data provided to the Settlement Administrator, Defendants, and Class Counsel will remain confidential and will not be disclosed to anyone, except as required to applicable tax authorities, pursuant to Defendants' express written consent, legal process, or by order of the Court.

- 1 30. Upon receipt of the database from the Parties, the Settlement Administrator will run the addresses
2 through the USPS' National Change of Address database. Upon receipt of the updated addresses,
3 the Settlement Administrator will apply address updates prior to mailing settlement notices via
4 First-Class Mail.
- 5 31. Within ten (10) calendar days after the Parties provide the Settlement Administrator the contact
6 information, the Settlement Administrator will mail, by first-class mail, the Class Notice to all
7 Class Members at their last known or reported addresses, unless modified by any updated address
8 information that the Settlement Administrator obtains during the administration of the Settlement
9 Agreement.
- 10 32. The Settlement Administrator will use standard devices, including the National Change of Address
11 database or equivalent, to obtain forwarding addresses prior to mailing and will use appropriate
12 skip tracing to take the necessary steps to maximize the probability that the Class Notice will be
13 received by all Class Members. Class Members to whom the Class Notice is resent after having
14 been returned undeliverable to the Settlement Administrator shall have ten (10) additional calendar
15 days following the Exclusion/Objection Deadline to mail, fax or email the request for exclusion or
16 an objection. Class Notices that are re-sent shall inform the recipient of this adjusted deadline. If
17 a Class Member's Class Notice is returned to the Settlement Administrator more than once as non-
18 deliverable, no additional Class Notice shall be sent.
- 19 33. The Settlement Administrator shall provide regular reports to Class Counsel and Defendants'
20 Counsel as to the mailings of Class Notice and the receipt of requests for exclusion and objections
21 prior to the end of the period in which claims can be made. The Settlement Administrator shall
22 also provide the report as set forth in Paragraph 67 of the settlement agreement.
- 23 34. If any Participating Class Member or PAGA Employee does not cash his or her settlement check(s)
24 within 180 days after issuance, the Settlement Administrator shall void the check 15 calendar days
25 after the check-cashing deadline.
- 26 35. The sum of the uncashed checks to the Participating Class Members shall be distributed to the
27 Participating Class Members who timely cashed their checks using the same formula used for the
28

original distribution except only using the total Amounts for the Participating Class Members who cashed their checks as reflected on *Exhibit 1* of the Settlement Agreement and using as the denominator the amount of the uncashed checks for the amounts.

36. The sum of the uncashed checks to the PAGA Employees shall be distributed to the PAGA Employees who timely cashed their checks using the same formula used for the original distribution except only using the data for the PAGA Employees who cashed their checks as reflected on *Exhibit 1* of the Settlement Agreement and using as the denominator the amount of the uncashed checks to the PAGA Employees.
37. For tax purposes, 10% of the portions of the individual payments to the Participating Class Members will be treated as wages. The remaining 90% of the individual payments to the Participating Class Members and payments to PAGA Employees will be treated by the Parties as additional, non-wage damages and interest and will not be subject to payroll withholdings. It shall be reported on an IRS Form 1099, divided evenly between Box 3 and Box 7, which is to be provided by the Settlement Administrator. The portions of the individual payments to the Participating Class Members that will be treated by the Parties as wages will be subject to applicable payroll withholdings and shall be reported on an IRS Form W-2, which is to be provided by the Settlement Administrator. Defendants shall agree between themselves and separately pay in addition to the Gross Settlement Amount employer-side payroll taxes with respect to the 10% allocated to wages.
38. If the Settlement Agreement is approved by the Court, any Class Member who does not properly and timely submit a request for exclusion will automatically be bound by all terms and conditions of the Settlement Agreement, including its release of claims, regardless of whether such Class Member has objected to the settlement.
39. A Class Member who properly and timely submits a request for exclusion will not be bound by the Settlement Agreement.
40. If this Settlement Agreement is not preliminarily and finally approved by the Court, if a Final Approval Order is not entered, or if a Party exercises the option to rescind pursuant to this

1 Settlement Agreement, this Settlement Agreement shall be null and void. In such event, (1) nothing
2 in this Settlement Agreement shall be construed as a determination, admission, or concession of
3 any issue in the Actions, and nothing in this Settlement Agreement, including the Settlement
4 Agreement itself, may be offered into evidence in any trial on the merits of the claims asserted in
5 the Complaint filed in the Actions, in any subsequent pleading, or in any subsequent matter in
6 order to demonstrate the appropriateness of class treatment and/or certification; (2) the Parties
7 expressly reserve their rights with respect to the prosecution and defense of the Actions as if this
8 Settlement Agreement never existed; and (3) only in the case of one or more Parties exercising
9 their option to rescind, that/those Parties shall be responsible for any costs for Class Notice or
10 claims administration incurred by the Settlement Administrator through that date; in all other
11 scenarios where the Settlement Agreement is not approved, the costs shall be born equally among
12 the Parties. If there is any reduction in the attorneys' fees or costs awards or the Class
13 Representative Payment, such reduction may be appealed but is not a basis for rendering this
14 Settlement Agreement void, voidable and/or unenforceable.

- 15 41. The Defendants' confidential Allocation Agreement is not subject to disclosure and will remain
16 confidential.

17 **Uncashed Checks**

- 18 42. If any Participating Class Member or PAGA Employee does not cash his or her settlement check(s)
19 for the second distribution within 180 days after issuance, the Settlement Administrator shall void
20 the check 15 calendar days after the check-cashing deadline. Any remaining funds shall be
21 distributed to the California State Bar Impact Fund. Any interest payment required by CCP Section
22 384 shall be deducted from the proceeds of any uncashed checks and shall proportionally revert to
23 the Defendants. In no event shall any interest result in an increase to the Total Gross Settlement
24 Amount.

- 25 43. The Parties believe that there is unlikely to be significant funds remaining after distribution and
26 that distributing those funds in their entirety to California State Bar Impact Fund would better
27 serve the interest of the Settlement Classes than the distribution apportionment contemplated under
28

1 California Civil Procedure Code section 384. The Court shall set a date when the Parties shall
2 report to the Court the total amount that was actually paid to Participating Class Members and a
3 plan for distributing any remaining funds pursuant to section 384. The Parties agree that this
4 obligation shall satisfy and fully discharge Defendants' obligations under California Code of Civil
5 Procedure Section 384.

6 **Released Claims by Class Members Who Do Not Opt Out**

- 7 44. As of the date the Final Approval Order is entered by the Court and except as to such rights or
8 claims as may be created by this Settlement Agreement, to the maximum extent allowed by law,
9 each Participating Class Member who has not timely and effectively opted out will be deemed to
10 have released all Participating Class Member Released Claims as to the Released Parties.
- 11 45. Participating Class Members are not eligible for any benefits, and in any event, will be deemed to
12 have waived all claims for benefits premised upon the Gross Individual Settlement Payments to
13 them, whether known or unknown by them, as part of their Released Claims under the Settlement
14 Agreement.

15 **Plaintiffs' Release**

- 16 46. As of the date the Final Approval Order is entered by the Court and except as to such rights or
17 claims as may be created by the Settlement Agreement, to the maximum extent allowed by law,
18 the Class Representatives and Plaintiff Martinez will be deemed to have released the Class
19 Representative and Plaintiff Martinez's Released Claims, and Plaintiff Carney will be deemed to
20 have released the Carney Wrongful Termination Claim.

21 **Release of PAGA Claims**

- 22 47. PAGA Employees have no optout rights as to the settlement of the PAGA Claims. Accordingly,
23 upon the effective date of the Settlement Agreement, Donovan Last and Scott Carney, on behalf of
24 themselves, the State of California, and all PAGA Employees waive, fully release, and forever
25 discharge the Released Parties from the PAGA Claims.

Administrator

48. The parties have agreed to retain Simpluris, a company with substantial class action administration experience, as the administrator in this case. The Administrator has estimated that the settlement administration expenses will not exceed \$10,711.

49. The Settlement Administrator shall perform the following duties in connection with administration of the Settlement Agreement: (1) using the data provided by third parties to prepare the Class Notice for each Class Member as described in this Settlement Agreement; (2) address verification measures described herein; (3) mailing the Class Notice to Class Members; (4) tracking non-delivered Class Notices and taking reasonable steps to re-send them to Class Members' current addresses; (5) setting up a settlement website which contains copies of all papers and orders filed in connection with preliminary and final approval, including the final Settlement Agreement, operative complaint, and Final Approval Order and Judgment; (6) tracking and timely reporting to Class Counsel and Counsel for Defendants about the received requests for exclusion; (7) calculating and paying the amounts due to each Participating Class Member pursuant to the Settlement Agreement; (8) calculating each Defendant's share of the employer's payroll taxes in accordance with the terms of this Settlement Agreement and Defendants' separate confidential, Allocation Agreement; (9) transmitting funds to resolve the PAGA Claims to the Labor and Workforce Development Agency; (10) issuing payments to Class Counsel, the Class Representatives, Plaintiff Martinez, and Plaintiff Carney and associated tax forms; and (11) issuing any payments to the *cy pres* recipient.

50. All disputes relating to the Settlement Administrator's performance of its duties will be referred to the Court, if necessary, which will have continuing jurisdiction over this Settlement Agreement until all payments and obligations contemplated by this Settlement Agreement have been fully carried out.

51. By not later than 20 calendar days after expiration of the 60-day deadline for submission of written requests not to participate in the Settlement, the Settlement Administrator will submit to Class Counsel and Counsel for Defendants a report setting forth the people (identified by name and the

1 last four digits of their Social Security Number if available) who as of that date have submitted (a)
2 valid requests for exclusion, and (b) invalid requests to be excluded from the settlement (the Opt-
3 Out Report). If the Settlement Administrator subsequently receives a valid and timely request not
4 to participate in the settlement, it will promptly distribute an updated Opt-Out Report.

- 5 52. By not later than 20 calendar days after the 60-day notice period expires (extended by re-mailings,
6 if applicable), the Settlement Administrator will prepare and submit to the Parties' counsel for
7 filing in support of their motion for final approval of the settlement a declaration attesting to its
8 mailing of the Class Notice, its receipt of requests for exclusion and objections, and its inability to
9 deliver the Class Notice to potential Class Members due to invalid addresses. As applicable, the
10 Settlement Administrator will prepare and submit for filing in support of the motion for final
11 approval, any supplemental declaration.

12 **Notice to Class Members**

- 13 53. Within ten (10) calendar days after the Parties provide the Settlement Administrator the contact
14 information, the Settlement Administrator will mail, by first-class mail, the Class Notice to all
15 Class Members at their last known addresses, unless modified by any updated address information
16 that the Settlement Administrator obtains during the administration of the Settlement Agreement.
17 Attached as **Exhibit 6** is the proposed Class Notice.
- 18 54. The Settlement Administrator will use standard devices, including the National Change of Address
19 database or equivalent, to obtain forwarding addresses prior to mailing and will use appropriate
20 skip tracing to take appropriate steps to maximize the probability that the Class Notice will be
21 received by all Class Members. Class Members to whom the Class Notice is resent after having
22 been returned undeliverable to the Settlement Administrator shall have ten (10) additional calendar
23 days following the Exclusion/Objection Deadline to mail, fax or email the request for exclusion or
24 an objection. Class Notices that are re-sent shall inform the recipient of this adjusted deadline. If
25 a Class Member's Class Notice is returned to the Settlement Administrator more than once as non-
26 deliverable, no additional Class Notice shall be sent.

1 55. The Settlement Administrator shall provide regular reports to Class Counsel and Defendants'
2 Counsel as to the mailings of Class Notice and the receipt of requests for exclusion and objections
3 prior to the end of the period in which claims can be made. The Settlement Administrator shall
4 also provide the report as set forth in Paragraph 67 of the settlement agreement.

5 **Requests for Exclusion (Opt-Outs)**

6 56. Participating Class Members are the Last Class Members and CRC Class Members who do not
7 request to be excluded from the Settlement Classes when they receive notice, either at the class
8 certification stage or in connection with this Settlement Agreement. Any CRC Class Member who
9 received notice at the class certification stage and did not opt out will not receive a second
10 opportunity to opt out of the CRC Class. Any person who did not receive notice but receives notice
11 now in connection with this Settlement Agreement shall have the option of opting out.

12 57. For CRC Class Members that have had no previous opportunity to opt out of the CRC Class and
13 for any/all Last Class Members to request exclusion validly and effectively from this Settlement
14 Agreement, the Class Member must submit to the Settlement Administrator a request for exclusion
15 from the settlement according to the procedures set forth in the Class Notice. If additional
16 information is required, the Settlement Administrator will communicate with the Class Member.
17 To be valid, the request for exclusion must be postmarked, emailed, or faxed no later than 60
18 calendar days after the date of mailing of the Class Notice (the "Opt-Out Period"). Class Members
19 to whom the Class Notice is resent after having been returned undeliverable to the Settlement
20 Administrator shall have ten (10) additional calendar days following expiration of the
21 Exclusion/Objection Deadline, to mail, fax, or email the request for exclusion. No request for
22 exclusion will be accepted if postmarked for delivery, emailed, or faxed to the Settlement
23 Administrator after the deadline indicated. Class Members that previously had an opportunity to
24 opt out of the CRC Class will have no further opportunity to opt out of the CRC Class.

25 58. If the Settlement Agreement is approved by the Court, any Class Member who does not properly
26 and timely submit a request for exclusion will automatically be bound by all terms and conditions
27
28

of the Settlement Agreement, including its release of claims, regardless of whether such Class Member has objected to the settlement.

59. A Class Member who properly and timely submits a request for exclusion will not be bound by the Settlement Agreement.

Objecting to the Settlement

60. The Class Members will have 60 calendar days after the date on which the Settlement Administrator mails the Class Notice to object to the Settlement Agreement by serving on the Settlement Administrator a written objection to the Settlement Agreement that must be postmarked, emailed, or faxed on or before the 60-day deadline. Class Members to whom the Class Notice is resent after having been returned undeliverable to the Settlement Administrator shall have 10 additional calendar days following expiration of the Exclusion/Objection Deadline to mail, fax, or email an objection.

61. Only Participating Class Members may object to the Settlement Agreement, and any Class Member who has elected not to participate in the settlement pursuant to the procedure set forth below may not submit an objection to the settlement.

62. A Class Member who does not serve a written objection in the manner and by the deadline specified above will be deemed to have waived any objection and will be foreclosed from making any objections to the Settlement Agreement (whether by appeal or otherwise).

63. The Settlement Administrator shall provide the Parties with a copy of any objections received within one business day of receipt. Class Counsel shall file any objections and any response thereto at least seven calendar days before the Final Approval Hearing.

Reports and Declaration by Settlement Administrator

64. By not later than 20 calendar days after expiration of the 60-day deadline for submission of written requests not to participate in the Settlement, the Settlement Administrator will submit to Class Counsel and Counsel for Defendants a report setting forth the people (identified by name and the last four digits of their Social Security Number if available) who as of that date have submitted (a) valid requests for exclusion, and (b) invalid requests to be excluded from the settlement (the Opt-

1 Out Report). If the Settlement Administrator subsequently receives a valid and timely request not
2 to participate in the settlement, it will promptly distribute an updated Opt-Out Report.

- 3 65. By not later than 20 calendar days after the 60-day notice period expires (extended by re-mailings,
4 if applicable), the Settlement Administrator will prepare and submit to the Parties' counsel for
5 filing in support of their motion for final approval of the settlement a declaration attesting to its
6 mailing of the Class Notice, its receipt of requests for exclusion and objections, and its inability to
7 deliver the Class Notice to potential Class Members due to invalid addresses. As applicable, the
8 Settlement Administrator will prepare and submit for filing in support of the motion for final
9 approval, any supplemental declaration.

10 **Final Approval**

- 11 66. In connection with the final approval of the settlement by the Court, the Parties will submit a
12 proposed Final Approval Order and Judgment which shall provide, among other things, as follows:
13 (a) Approval of the settlement, adjudging the terms thereof to be fair, reasonable and adequate,
14 and directing consummation of its terms and provisions; (b) Approving Class Counsels' Attorneys'
15 Fees Award application and Class Counsels' Costs Award application; (c) Approving the Class
16 Representatives' Payments; (d) Certifying the CRC Class and Last Class for purposes of this
17 settlement only; and (e) Entering judgment pursuant to California Rules of Court, rule 3.769(h)
18 which retains jurisdiction.
- 19 67. Notice of the Final Approval Order and Judgment shall be given by Class Counsel to Defendants,
20 which notice shall satisfy the requirements of California Rules of Court, Rule 3.771.

21 **The Settlement is Fair.**

- 22 68. Plaintiffs' expert has made a calculation of what could be the maximum potential damages in this
23 case. This amount is approximately \$84,984,061 million dollars. This amount has *not* been
24 probability adjusted for the risks of failing to prevail on all of Plaintiffs' claims. As a result, before
25 probability adjustment this \$18 million settlement represents 21.18% of the Plaintiffs' expert's
26 calculation of maximum potential damages in this case. Assuming probability adjustments of 80%,
27 70% and 60%, the settlement of \$18 million creates percentages of the potential recovery of
28

26.47%, 30.26% and 35.30% respectively. All these percentages show that this settlement is a very favorable and reasonable settlement worthy of preliminary and final approval.

69. The extensive discovery and information exchange conducted in this matter, as well as discussions between counsel, have been adequate to give the Representative Plaintiffs and Class Counsel a sound understanding of the merits of their positions and to evaluate the worth of the claims of the Class.

70. Class Counsel have conducted a thorough investigation into the facts of these Actions and have diligently pursued an investigation of the Class Members' claims against Defendants, including: (1) interviewing Class Members, analyzing the results of Class Member interviews, and obtaining declarations of some Class Members; (2) reviewing tens of thousands of pages of relevant documents; (3) researching the applicable law and the potential defenses; (4) reviewing and analyzing more than a million cells of data relating to the number of shifts worked by Class Members and pay data; and (5) retaining an expert to make extensive calculation damages and penalties exposure. Based on their own independent investigation and evaluation, Class Counsel believe that the Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Settlement Classes considering all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendants and potential appellate issues.

71. Considering the risk of not obtaining certification and the risk of not prevailing, Class Counsel believe the proposed \$18,000,000 settlement is reasonable and provides the certainty of a payment to class members. In opposition to Plaintiffs' claims, CRC, Geo and MI proffered many defenses. The following are just some of them: Defendants challenged Plaintiffs to establish a joint employer relationship; asserted that Plaintiffs could not represent mud men from MI and other providers; asserted that Plaintiffs' joint employer claim could not be determined on a class basis; asserted that finding of joint employer status of the class requires numerous individualized inquiries; CRC asserted that it did not employ mud men because they were not the hiring entities and that, under the *Martinez* ruling, there is no joint employer relationship wherein they did not control wages, hours or working conditions or engage mud men; asserted that Plaintiffs could not establish

1 commonality because class members held a wide range of job duties on different rigs with various
2 levels of experience and claimed that whether an individual was appropriately treated as an
3 independent contractor must be approached on a case-by-case basis; asserted that Plaintiffs cannot
4 establish commonality among MI's direct DFSs because the exemption analysis must be
5 approached on a case-by-case basis; asserted that Plaintiffs cannot show the qualitative
6 administrative duties (due to the varying levels of DFSs) and the "discretion and independent
7 judgment" factor on a class wide basis; asserted that Plaintiffs' MI class is not manageable and
8 class treatment was not superior; asserted that Plaintiffs cannot establish numerosity; asserted that
9 Plaintiffs' claims are not typical of the MI classes; asserted that Plaintiff Last cannot adequately
10 represent the MI classes because some class members are barred due to the settlement in *Syed, et*
11 *al., v. M-I, L.L.C.*, United States District Court for the Eastern District of California, Case No. 12-
12 CV-01718 DAD (MJS); asserted that CRC did not control class members' wages, hours, or
13 working conditions and never provided Plaintiffs or class members with wages or bonuses;
14 asserted that MI did not directly pay any of the contract DFS's provided by the staffing agencies;
15 asserted that CRC did not determine Plaintiffs' or class members' salaries; asserted that Plaintiffs
16 and the class members were exempt workers; asserted that CRC did not determine how Plaintiffs
17 or class members would be classified for purposes of wage and hour laws; asserted that CRC did
18 not provide employment benefits to Plaintiffs or class members; asserted that CRC did not
19 determine what locations Plaintiffs or class members worked on or when; asserted that MI's
20 directives were limited in assigning contracted DFSs' work locations and hitch lengths; asserted
21 that CRC did not hire or terminate Plaintiffs or class members; asserted that CRC did not "suffer
22 or permit" class members to work (the drilling fluids companies with whom CRC contracted made
23 all personnel selections unilaterally); asserted that CRC did not interview or meet with class
24 members before the drilling fluids company assigned them to a drill site; asserted that while CRC,
25 the customer of GEO, M-I Swaco, and other drilling fluids companies, had the contractual right to
26 direct the drilling fluids company to remove an engineer from a particular rig, CRC had no right
27 to terminate a drilling fluids engineer's employment; asserted that CRC could not have prevented
28

1 its drilling fluids partner from assigning the removed engineer to work at another, non-CRC
2 location; asserted that CRC did not “engage” Class Members (Drilling fluids engineers did not
3 consider CRC personnel to be their direct bosses or supervisors); asserted that CRC did not
4 determine what site class members worked on or when and what decision was made by the drilling
5 fluids companies; asserted that CRC did not maintain employee handbooks or policies (like meal
6 and rest break policies) dictating the workplace rules class members were required to follow;
7 asserted that the drilling fluids companies (not CRC) directed and monitored class members’
8 performance and required class members to complete daily reports; asserted that PAGA claims are
9 barred because Carney did not work during the PAGA period; and asserted that PAGA claims are
10 unmanageable.

11 72. These defenses pose risks of failing to prevail and also support preliminary approval of this
12 settlement.

13 73. “[I]t is well-settled law that a cash settlement amounting to only a fraction of the potential recovery
14 does not per se render the settlement inadequate or unfair.” Villegas, supra, 2012 WL 5878390 at
15 *6 (approving gross settlement of “approximately fifteen percent (15%) of the potential recovery
16 against Defendants”). Here, Plaintiffs achieved far more than a mere “fraction of the potential
17 recovery,” See also Barbosa v. Cargill Meat Sols. Corp. (E.D. Cal. 2013) 297 F.R.D. 431, 446
18 (noting that “there were significant risks in continued litigation and no guarantee of recovery”
19 whereas “[t]he settlement [] provides [c]lass [m]embers with another significant benefit that they
20 would not receive if the case proceeded—certain and prompt relief”); Vasquez v. Coast Valley
21 Roofing, Inc. (E.D. Cal. 2010) 266 F.R.D. 482, 489 (Courts “consider the vagaries of litigation
22 and compare the significance of immediate recovery by way of the compromise to the mere
23 possibility of relief in the future, after protracted and expensive litigation.”). Given the potential
24 challenges faced by Plaintiffs, the amount of the settlement compared to the amount at issue in the
25 case is an excellent result and should be approved as more than fair and adequate.

26 74. With respect to PAGA, the parties allocated \$500,000 to those penalties. Courts have routinely
27 approved lesser allocations for PAGA penalties in settlements that provide sufficient class-wide
28

1 recovery. See, e.g., del Toro Lopez v. Uber Techs., Inc. (N.D. Cal. Nov. 14, 2018) 2018 WL
2 5982506, at *8 (granting final approval to \$50,000 PAGA payment out of \$10 million settlement
3 fund); Ahmed v. Beverly Health & Rehab. Servs., Inc. (E.D. Cal. Feb. 7, 2018) 2018 WL 746393,
4 at *10 (granting preliminary approval to \$4,500 PAGA payment out of \$450,000 settlement fund);
5 Martin v. Legacy Supply Chain Servs. II, Inc. (S.D. Cal. Feb. 12, 2018) 2018 WL 828131, at *2
6 (granting preliminary approval to PAGA allocation of \$10,000 out of \$625,000 settlement fund).

7 **The class members are ascertainable.**

8 75. The identity of the class members is easily ascertainable from the Defendants' own records.

9 **Numerosity**

10 76. Numerosity is satisfied because there are 289 class members.

11 **Typicality**

12 77. Plaintiffs' class claims are like those of the settlement class that Plaintiffs seek to represent.
13 Plaintiffs and all other class members were all "mud men" or "Drilling Fluid Specialists"
14 (sometimes known by other names) who worked in the oil fields in California, primarily in the
15 Kern County area (as alleged by Plaintiffs) and who allegedly performed similar job duties in the
16 oil production process.

17 **Adequacy of representation of Plaintiffs and counsel**

18 78. No conflicts, disabling or otherwise, exist between the named plaintiffs and the Class Members
19 because the named plaintiffs have been damaged by the same alleged conduct and has the incentive
20 to fairly represent all Class Members' claims to achieve the maximum possible recovery.

21 **No Conflicts of Interests**

22 79. I have no conflicts with any class members.

23 80. I and my co-counsel have the desire, intention, and ability to prosecute these claims and have been
24 doing so in the face of strenuous opposition by Defendant.

25 I declare under penalty of perjury under the laws of the State of California that the foregoing is
26 true and correct.

27 Dated: August 14, 2025

28 
Lonnie C. Blanchard III

**Declaration of Lonnie C. Blanchard III in Support of Motion for Preliminary Approval of Class
Action Settlement**

Exhibit 1

**CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE**

This Class Action and Private Attorneys General Act Settlement Agreement and Release (“Agreement” or “Settlement Agreement”) is made by and between Plaintiffs Scott Carney, Romein Martinez, Donovan Last, and Michael Kaveler (collectively “Plaintiffs”) on the one hand and Defendant, Cross-Claimant, and Cross-Defendant California Resources Corporation, Defendant Geo Drilling Fluids, Inc., and Cross-Claimant, Cross-Defendant, and Defendant M-I LLC, (collectively “Defendants”) on the other hand. The Settlement Agreement sometimes refers to Plaintiffs and Defendants collectively as the “Parties” and from time to time individually as a “Party.”

The Parties agree, subject to the approval of the Court, that the action pending in the Superior Court of the State of California for the County of Kern entitled *Carney, et al. v. California Resources Corporation, et al.*, Case No. BCV-15-101729 and the action pending in the Federal District Court for Eastern District of California entitled *Last v. M-I, LLC*, Case No. 1:20-cv-01205-KES-EPG, as well as all claims that were or could have been raised therein based on the facts alleged in the complaints filed in such actions by and against any of the Parties and any arbitrations contemplated or pending that are related thereto shall be resolved on terms set forth in this Settlement Agreement. Defendants further agree that concurrent with this Settlement Agreement, they will release all claims as to and against each other in connection with, relating to, and/or arising out of these Actions in a separate, confidential settlement and allocation agreement (“Allocation Agreement”).

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

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I. DEFINITIONS

In addition to terms defined elsewhere in the Settlement Agreement, as used in this Settlement Agreement, the following terms have the meanings indicated below:

A. Action or Actions

The civil action filed on December 21, 2015, in Kern County Superior Court entitled *Carney, et al. v. California Resources Corporation, et al.*, Case No. BCV-15-101729 (“*Carney Action*”) and the action filed on May 22, 2020, pending in the Federal District Court for the Eastern District of California entitled *Last v. M-I, LLC*, Case No. 1:20-cv-01205-KES-EPG and any arbitrations related to or stemming therefrom (“*Last Action*”) (together with the *Carney Action* sometimes collectively referred to as the “*Actions*”).

B. Carney Wrongful Termination Payment

The payment of \$20,000 to Scott Carney for a release of his individual wrongful termination claim as alleged against Geo (hereafter, “*Carney Wrongful Termination Claim*.”)

C. CRC

California Resources Corporation.

D. Class Counsel

Peter R. Dion-Kindem of Peter R. Dion-Kindem, P.C., Lonnie C. Blanchard III of The Blanchard Law Group, APC, and Jeff Holmes of the Holmes Law Group, APC.

E. Class Counsel Attorney’s Fees Award

The attorneys’ fees for Class Counsel’s litigation and resolution of the Actions and claims resolved by this Settlement Agreement as awarded by the Court, the request for which may not exceed one-third of the Total Gross Settlement Amount.

F. Class Counsel Cost Award

All expenses and costs incurred by Class Counsel in connection with the litigation and resolution of the Actions and claims resolved by this Settlement Agreement as awarded by the Court, the request for which may not exceed \$200,000.

G. Class Member(s) or the Settlement Class

CRC Class Members and/or Last Class Members.

H. Class Notice

The notice that the Settlement Administrator will mail to each Class Member explaining the terms of the settlement contemplated by this Settlement Agreement in a format that is mutually acceptable to the Parties. The form of the Class Notice shall be reasonably and in good faith agreed to by Class Counsel and Defendants’ Counsel.

I. Class Representatives

Scott Carney, Donovin Last, and Michael Kaveler.

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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J. Class Representative Payment(s)

The Court-approved service payments to Plaintiffs Scott Carney, Donovan Last, and Michael Kaveler for their services as Class Representatives and for their execution of a general release as described herein.

K. Class Representatives' and Plaintiff Martinez's Released Claims

All claims, rights, debts, charges, complaints, liens, demands, obligations, damages and liabilities, causes of action of every nature and description whatsoever, under any theory under the law, including, without limitation, statutory, constitutional, contractual or common law claims, of any jurisdiction, whether such claims are known or unknown, suspected or unsuspected, whether in law or equity, whether or not concealed or hidden, asserted, that any of the Class Representatives or Plaintiff Martinez could have asserted, had, now have, or may hereafter claim to have against the Released Parties arising out of, in connection with, or relating in any way to, the Class Representatives' or Plaintiff Martinez's hiring by, engagement or employment with, separation of employment with, or otherwise relating to the Released Parties, arising or accruing from the beginning of time up through the date of the Final Approval Hearing. The Class Representatives' and Plaintiff Martinez's Released Claims include, but are not limited to, claims arising from or dependent on the California Labor Code, the California Government Code, the California Civil Code, the Wage Orders of the California Industrial Welfare Commission, the California Business and Professions Code Section 17200, *et seq.*, the California Labor Code Private Attorneys General Act of 2004, Labor Code § 2699, *et seq.*, the California Fair Employment and Housing Act, Cal. Gov't Code Section 12900 *et seq.*, the California common law of contract and tort, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq.*, the Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001 *et seq.*, the Fair Labor Standards Act, 29 U.S.C. Section 201 *et seq.* and the Portal to Portal Act, 29 U.S.C. Section 251, *et seq.*

Claims for workers' compensation, unemployment, claims outside the CRC Covered Period and Last Covered Period, pension plan, profit plan, 401k plan, other employee benefit plans and claims that cannot be released by law are not released.

Unknown Claims as they relate to the Class Representatives and Plaintiff Martinez include any claims about which Class Representatives or Plaintiff Martinez are not aware. If the Class Representatives or Plaintiff Martinez later learn of such Unknown Claims, the Class Representatives and Plaintiff Martinez will not be able to obtain any remedy. In this regard, each of the Class Representatives and Plaintiff Martinez waive the benefit of California Civil Code Section 1542 in full which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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Donovin Last will, upon final approval of the settlement of the *Carney* Action, file a notice of dismissal of the *Last* Action with prejudice.

L. Counsel for California Resources Corporation

Currently: J. Jonathan Hawk, McDermott Will & Emery LLP, Keith A. Jacoby, Michelle Clark and Erika Nettles, Littler Mendelson, P.C.

M. Counsel for Geo Drilling Fluids, Inc.

Currently: John T. Egley and Peter Choi, Call & Jensen

N. Counsel for M-I, LLC

Currently: Robert P. Lombardi, Kelly Reese, and Heather Hearne, The Kullman Firm

O. Covered Periods

1. CRC Covered Period

As to the CRC Class, the period from December 29, 2011, through November 27, 2021, but excluding any time periods covered by a general release that was executed by a CRC Class Member.

2. Last Covered Period

As to the Last Class, the period from May 20, 2016, through July 4, 2020.

P. CRC Class Members or CRC Class

All persons who, at any time from December 29, 2011 through November 27, 2021 worked at any of the drill sites operated by California Resources Corporation, including the California operations of California Resources Production Corporation (formerly known as Vintage Production California LLC), California Resources Petroleum, LLC (formerly known as Vintage Petroleum LLC) OXY USA, Inc. and Occidental Petroleum Corporation and all other former California operations of Occidental Petroleum Corporation and its affiliates (collectively “CRC”) in California in job positions titled Drilling Fluid Specialist (mud man, Levels I-IV and mud man Senior), mud engineer, mud man Trainee, mud man consultant, and/or equivalent job titles who were employed by CRC or who were provided by GEO Drilling Fluids, Inc. or M-I LLC to CRC to provide drilling fluids related services and who have not released CRC from the claims in the *Carney* Action for all periods during the CRC Covered Period and who are listed in Exhibit 1 to this Settlement Agreement under the table titled “CRC Class.”

Q. Defendants

California Resources Corporation, Geo Drilling Fluids, Inc, and M-I LLC.

R. Effective Date

The Settlement Agreement shall be effective upon the later of the following: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters a Final Approval Order; (b) if an objection is filed and not withdrawn, the date for filing an appeal, writ, or other appellate proceeding and no such appeal, writ, or other appellate proceeding being filed;

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(c) if any timely appeals, writs, or other appellate proceedings are filed, the date of the resolution (or withdrawal) of any such appeal, writ, or other appellate proceeding in a way that does not alter the terms of the settlement, provided there are no rights to pursue further remedies or relief; (d) the date the U.S. District Court enters an order dismissing and closing the *Last* Action with prejudice.

S. Exclusion/Objection Deadline

The final date by which a Class Member may either (i) object to any aspect of the Settlement Agreement or (ii) request to be excluded from the Settlement Agreement as set forth herein if this was their first notice received of the *Carney* Action or *Last* Action. The Exclusion/Objection Deadline shall be 60 days after the Notice Distribution Date and shall be specifically identified and set forth in the Preliminary Approval Order and the Class Notice.

T. Final

When referring to a judgment or order, “final” means that (i) the judgment is a final, appealable judgment and (ii) either (a) no appeal has been taken from the judgment as of the date on which all times to appeal therefrom have expired, or (b) an appeal or other review proceeding of the judgment having been commenced, such appeal or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for rehearing *en banc*, petitions for writ of certiorari, or otherwise, and such appeal or other review has been finally resolved in such manner that affirms the judgment order in its entirety.

U. Final Approval Hearing

The hearing that is to take place after the entry of the Preliminary Approval Order and after the Notice Distribution Date for purposes of: (i) determining whether the Settlement Agreement shall be approved as fair, reasonable, and adequate; (ii) ruling upon an application by Class Counsel for a Class Counsel Attorneys’ Fees Award and a Class Counsel Cost Award; (iii) ruling on the application for Class Representative Payments, and (iv) entering a Final Approval Order.

V. Final Approval Order and Judgment

The Court’s order granting final approval of the Settlement Agreement, which will constitute a judgment within the meaning of Code of Civil Procedure section 577.

W. Geo

Geo Drilling Fluids, Inc.

X. Gross Individual Settlement Payment

The gross amount paid to each Participating Class Member. The sum of these Gross Individual Settlement Payments to Participating Class Members shall constitute the Class Settlement Payment.

Y. Last Class Members or Last Class

All persons who, at any time from May 20, 2016 through July 4, 2020 worked in California in job positions titled Drilling Fluid Specialist (mud man, Levels I-IV and mud man Senior), mud

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engineer, mud man Trainee, mud man consultant, and/or equivalent job titles who were employed by M-I or who were provided by M-I to any of M-I's customers other than CRC to provide drilling fluids related services and who have not released M-I from the claims in the *Last* Action for all periods during the Last Covered Period and who are listed in Exhibit 1 to this Settlement Agreement under the table titled "Last Class."¹

Z. M-I

M-I LLC.

AA. Notice Distribution Date

The date of the initial distribution of the Class Notice to Class Members as set forth herein.

BB. Opt-Out List

The list of all Class Members who timely and properly request exclusion from the Settlement Classes as set forth in this Settlement Agreement.

CC. PAGA Claims

All claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in any of the complaints, including the operative complaint and the PAGA Notices that occurred during the PAGA Periods with respect to PAGA Employees, but expressly excluding all other claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, California class claims outside of the Covered Periods, and PAGA Claims outside of the PAGA Periods.

DD. PAGA Employees

All Class Members who provided services to CRC in California during the *Carney* PAGA Period or who provided service to or on behalf of M-I in California during the *Last* PAGA Period.

EE. PAGA Notice(s)

The notice submitted to the California Labor & Workforce Development Agency ("LWDA") on behalf of Scott Carney on or about November 18, 2015, with respect to the *Carney* Action, and the notice submitted to the LWDA on behalf of Donovan Last on or about May 20, 2020 with respect to the *Last* Action, and the amended notice to be submitted to the LWDA on behalf Carney and Last, with respect to the *Carney* Action and *Last* Action, drafts of which are attached hereto as Exhibits 5 and 6.

FF. PAGA Payment

The amount of \$500,000 allocated to the claims asserted for penalties under the PAGA in settlement of the PAGA Claims. The PAGA Payment shall be made from the Total Gross

¹ The Parties understand and contemplate that some Carney Class Members will be included in the Last Class due to their time spent working for operators other than CRC during the Last Class Period.

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Settlement Amount, and 25% shall be distributed to the PAGA Employees based on their pro-rata share of the pay periods during the PAGA Periods as set forth in Exhibit 1 (*i.e.*, the “Individual PAGA Payments”) and 75% shall be paid to the LWDA (“LWDA PAGA Payment”). An Individual PAGA Payment will be made to a PAGA Employee even if such PAGA Employee opts out of the Settlement Classes.

GG. PAGA Periods

With respect to the *Carney* Action PAGA Employees, the period from November 18, 2014, through November 27, 2021 (“*Carney* PAGA Period”).

With respect to the *Last* Action PAGA Employees, the period from May 20, 2019, through July 4, 2020 (“*Last* PAGA Period”).

HH. Participating Class Members

Last Class Members and CRC Class Members who do not request to be excluded from the Settlement Classes when they receive notice, either at the class certification stage or in connection with this Settlement Agreement. Any CRC Class Member who received notice at the class certification stage and did not opt out will not receive a second opportunity to opt out of the CRC Class. Any person who did not receive notice but receives notice now in connection with this Settlement Agreement shall have the option of opting out.

II. Participating Class Members’ Released Claims

As to Released Parties, Participating Class Members will release all claims, rights, debts, charges, complaints, liens, liabilities, obligations, demands, actions and causes of action for wages, statutory and civil penalties, business expenses, damages, liquidated damages, restitution, injunctive relief, premiums, interest, fees and costs, under any theory under the law, including, without limitation, statutory, constitutional, contractual or common law claims, of any jurisdiction, that were alleged or that could have been alleged based upon the factual allegations in the operative complaints in the *Carney* Action and/or the *Last* Action whether such claims are known claims or Unknown Claims as defined below, whether in law or equity, whether or not concealed or hidden, asserted or unasserted during the respective Covered Periods, including but not limited to all claims asserted in either Action for: (1) failure to pay all compensation due, including minimum wage and overtime pay, and failure to provide one day’s rest in seven days; (2) failure to provide compliant meal breaks or pay premiums in lieu; (3) failure to provide compliant rest breaks or pay premiums in lieu; (4) failure to furnish accurate itemized wage statements and failure to keep accurate records; (5) failure to pay wages timely upon separation; (6) failure to pay wages timely during employment; (7) failure to indemnify business expenses; and (8) violation of Business and Professions Code section 17200, *et seq.*, against the Released Parties.

Claims for workers’ compensation, discrimination, disability, unemployment, wrongful termination, claims outside the CRC Covered Period or outside the Last Covered Period, claims under a pension plan, profit plan, 401k plan, other employee benefit plans and claims that cannot be released by law are not released.

Unknown Claims as they relate to any Class Member who does not opt out of the Settlement Agreement include any claims about which the Class Member is not aware that were

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alleged or that could have been alleged based upon the facts alleged in the Action. If a Class Member later learns of such Unknown Claims, he or she will not be able to obtain any remedy. In this regard, Class Members who do not opt out of the Settlement Agreement waive the benefit of California Civil Code Section 1542 as to any claims that were alleged or that could have been alleged based upon the facts alleged in the Action, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

JJ. Defendants' Released Claims.

Upon final approval of the Settlement Agreement and contingent upon full performance of the separate, confidential Allocation Agreement, each Defendant, on behalf of itself, and its past, present, and future administrators, affiliates, agents, assigns, attorneys, consultants, customers, directors, divisions, employees, executors, fiduciaries, insurers, investors, joint ventures, legal representatives, lienholders, members, officers, representatives, parents, partners, predecessors, shareholders, subsidiaries, successors, successors in interest, suppliers, and trustees, hereby voluntarily, knowingly, unconditionally, and absolutely waives, remises, generally releases, holds harmless, acquits, satisfies and forever discharges, any and all claims, counterclaims, crossclaims, demands, rights, debts, liabilities and causes of action of every nature and description whatsoever, under any theory under the law, including, statutory, constitutional, contractual or common law claims, of any jurisdiction, whether known or unknown, whether in law or equity, whether or not concealed or hidden, asserted, or that could have been asserted, against each of the other Released Parties, or any of them, that occurred or accrued at any time on or prior to the Effective Date for any type of relief, including but not limited to damages based in statute or common law, compensatory damages, penalties, punitive damages, interest, costs and attorney fees, restitution, or equitable or injunctive relief that were or could have been sought in the *Carney* Action and/or *Last* Action between any parties to those actions including relief arising out of, in connection with, or relating to any of the facts or claims alleged by Plaintiff or by any Defendant in the *Carney* Action and *Last* Action ("Defendants' Released Claims"). The Defendants release Defendants' Released Claims pursuant to Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

This language is not intended to convert the release of claims between and among Defendants to a general release of all claims between and among Defendants as to Released Parties.

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KK. Payment to Plaintiff Martinez

The payment of \$10,000 to Plaintiff Martinez for his participation in this action and execution of a general release of his claims.

LL. Plaintiff Martinez

Romein Martinez.

MM. Plan of Allocation

The plan for allocating the Total Gross Settlement Amount between and among Participating Class Members and PAGA Employees as approved by the Court.

NN. Preliminary Approval Date

The date that the Court enters the Preliminary Approval Order (i) preliminarily approving the Settlement Agreement and the exhibits thereto, and (ii) ordering the provision of notice to the Class Members, an opportunity to opt out of the Settlement Agreement, an opportunity to submit timely objections to the Settlement Agreement, and setting a hearing on the fairness of the terms of the Settlement Agreement, including approval of the Class Counsel Attorneys' Fee Award, Class Counsel Cost Awards, Class Representative Payments, Payment to Plaintiff Martinez, and Carney Wrongful Termination Payment.

OO. Preliminary Approval Order

The order of the Court granting preliminary approval of this Settlement Agreement on the terms provided herein or as the same may be modified by subsequent mutual agreement of the Parties with the Court's approval.

PP. Released Parties

Each of the Defendants and each of their current, past, and future predecessors and successors, parents, customers, subsidiaries, affiliates, joint ventures, and all of its and those entities' current, past, and future officers, directors, divisions, managing agents, consultants, employees, executors, fiduciaries, members, partners, legal representatives, lien holders, partners, shareholders, suppliers, trustees, successors in interest, joint venturers, heirs, assigns, agents, attorneys, and insurers, as well as any third party acting, or alleged to have acted, on each Defendant's behalf.

QQ. Settlement Administrator

Simpluris Class Action, which will perform the customary duties of a settlement administrator including, but not limited to, the duties enumerated in this Settlement Agreement.

RR. Stipulation of Dismissal

The stipulation of dismissal with prejudice as to the *Last* Action entered into by Plaintiff Last and M-I. The stipulation shall state that it is with prejudice, with each party to bear its own costs and fees. The parties shall, if necessary, agree to lift the stay of proceedings in the *Last* Action in order to effectuate the dismissal. The stipulation is attached as Exhibit 2.

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SS. Total Gross Settlement Amount

The Total Gross Settlement Amount is Eighteen Million Dollars and no cents (\$18,000,000.00). The funding of the Total Gross Settlement will be resolved between the Defendants in the separate confidential Allocation Agreement, which will include a full release of all claims alleged or that could have been alleged against each other related to Plaintiffs' claims or Plaintiffs bringing both/either the *Carney* Action and/or the *Last* Action against the Defendants related to Plaintiffs' claims and any obligations by and among the Defendants related thereto, in connection therewith, or stemming therefrom. Defendants will fund the Total Gross Settlement Amount in an escrow account established by the Settlement Administrator for purposes of administering the Settlement ("Escrow Account") by no later than 60 days following the full and complete execution of this Settlement Agreement and Defendants' Confidential Allocation Agreement (which shall be executed at the same time as this Settlement Agreement). Any further funding of employment taxes will be made by the defendants within sixty (60) days of the close of the Opt-Out Period and receipt of all of the following: (1) the Settlement Administrator's calculation of the employer's share of payroll taxes owed by that Defendants, (2) a fully and properly-executed Form W-9 reflecting the payee name and address and a valid taxpayer identification number, and (3) information from the Settlement Administrator of sufficient wiring instructions to include the bank name and ABA routing number. The Total Gross Settlement Amount shall be paid pursuant to the terms and conditions of this Settlement Agreement and shall be inclusive of the following: (a) the Class Representative Payments to Scott Carney, Donovan Last, and Michael Kaveler in the amount of up to \$10,000 each; (b) a payment to Plaintiff Martinez in the amount of \$10,000 made in return for his execution of a general release as set forth herein, (c) a payment to Plaintiff Carney in the amount of \$20,000 for the release of his wrongful termination claim against Geo; (d) Class Counsel Attorneys' Fee Award in an amount up to one-third of the Total Gross Settlement Amount incurred or to be incurred in the Actions and any appeals; (e) Class Counsel Cost Award associated with the Actions in an amount of up to \$200,000 incurred or to be incurred in the Actions and any appeals; (f) the fees and expenses of the Settlement Administrator which are estimated not to exceed \$10,711.00; and (g) the PAGA Payment.

II. BACKGROUND AND REASONS FOR SETTLEMENT AGREEMENT

1. On December 21, 2015, Plaintiff Scott Carney filed a Class Action Complaint in the Superior Court of the County of Kern, California against CRC and Geo, *inter alia*. On March 25, 2020, a First Amended Class Action Complaint was filed adding Romein Martinez as an additional Plaintiff. On March 9, 2021, a Second Amended Complaint was filed adding Donovan Last as an additional Plaintiff. The Parties agree and stipulate that Plaintiffs will file a Third Amended Complaint naming M-I as a defendant in the *Carney* Action and adding Michael Kaveler as a named plaintiff and Class Representative for the Last Class. The addition of Kaveler as a named Plaintiff and M-I as a defendant is intended to fully encompass the claims asserted against M-I in the *Last* Action and to fully resolve the *Last* Action through this Settlement Agreement.

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2. On April 7, 2022, Defendant CRC filed a Cross-Complaint against M-I. On October 5, 2022, CRC filed its First Amended Cross-Complaint. On February 21, 2023, CRC filed its Second Amended Cross-Complaint.
3. On May 11, 2023, M-I filed its Cross-Complaint against CRC.
4. On May 20, 2020, Plaintiff Donovan Last filed a Class Action Complaint in the Superior Court of the County of Kern, California, against M-I, which M-I removed to the Eastern District of California. Named plaintiff Donovan Last sought to represent a class of all Drilling Fluid Specialists who were employed by or performed work for M-I in California during the four years preceding the filing of the complaint. The *Last* Action includes claims for failure to pay compensation due, meal and rest period violations, wage statement violations, failure to timely pay wages upon termination, violation of California Bus. and Prof. Code §§ 17200 *et seq.*, and penalties pursuant to the PAGA.
5. On February 12, 2024, the United States District Court for the Eastern District of California in the *Last* Action granted M-I's motion to compel arbitration of Plaintiff Last's claims, denied his motion for certification as moot, and stayed further action in the case pending the outcome of that arbitration.
6. Plaintiffs allege that CRC, Geo, and M-I were the Class Members' joint employers and that each failed to pay the Class Members for all hours worked, failed to pay them the overtime to which they were entitled, failed to provide meal and rest periods, failed to provide legally compliant wage statements, and failed to pay all wages owed upon termination. Plaintiffs Carney and Last also allege claims under the PAGA.
7. Defendants deny all the Plaintiffs' allegations. CRC and M-I each further deny the allegations made against the other in their respective cross-complaints.
8. The Parties engaged in extensive litigation, including formal discovery requests, depositions of named plaintiffs and other putative class members and Defendants' witnesses, numerous discovery motions, Defendants' summary judgment motions, and the filing of motions for class certification in each of the Actions, which the Court granted in the *Carney* Action. As part of the discovery in the case, Defendants and/or third parties produced extensive data and documents, including personnel records for the named plaintiffs, company policies, and other related documents showing the number of shifts worked by the Class Members and Class Members' wage rates.
9. On February 16, 2018, CRC, GEO, and Counsel for Plaintiffs attended a mediation session with Hon. Linda Quinn, which ultimately failed. On January 19, 2022, the same parties attended a mediation session with Tripper Ortman, a mediator with significant experience in wage and hour class actions. Each party was represented by its respective counsel during the good-faith negotiations facilitated by Mr. Ortman. This mediation also failed. After much discussion, the same parties scheduled a second mediation session with Mr. Ortman on February 6, 2024. As a

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result of the mediation and Mr. Ortman's mediator's proposal, the Parties had extensive further negotiations and reached an agreement in principle to resolve the Actions.

10. Class Counsel have conducted a thorough investigation into the facts of these Actions and have diligently pursued an investigation of the Class Members' claims against Defendants, including: (1) interviewing Class Members, analyzing the results of Class Member interviews, and obtaining declarations of some Class Members; (2) reviewing thousands of pages of relevant documents; (3) researching the applicable law and the potential defenses; and (4) reviewing and analyzing millions of cells of data relating to the number of shifts worked by Class Members and pay data; and (5) retaining an expert to calculate damages and penalties exposure. Based on their own independent investigation and evaluation, Class Counsel believe that the Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Settlement Classes considering all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendants and potential appellate issues.
11. The Parties desire to settle all claims raised in both the *Carney* Action and *Last* Action. The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement Agreement and to effectuate its terms. The Parties agree that upon Final Approval of this Settlement Agreement, Plaintiff Donovan Last will dismiss the *Last* Action with prejudice.

III. NO ADMISSION

12. Nothing contained in this Settlement Agreement shall be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants, and Defendants deny liability therefor both with respect to Plaintiffs and as to each other. The Parties have entered into this Settlement Agreement intending to avoid further disputes and litigation with the attendant inconvenience and expenses between themselves. Settlement of both the *Carney* Action and the *Last* Action, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement: (1) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendants as to Plaintiffs or as to each other; (2) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of Defendants in any civil, criminal, administrative or arbitral proceeding in any court, administrative agency or other tribunal, either individually or as a group; and (3) are not, shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification or administration other than for purposes of administering this Settlement Agreement. This Settlement Agreement is a settlement document and shall be inadmissible in evidence in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of the Settlement Agreement.

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IV. FILING OF THIRD AMENDED COMPLAINT.

13. Solely for the purpose of settling the *Carney* Action and the *Last* Action, Plaintiffs, CRC, Geo, and M-I will stipulate to the filing of a Third Amended Complaint in the *Carney* Action adding M-I as a defendant and Michael Kaveler as a named plaintiff and Class Representative as to the Last Class and asserting the claims asserted in the *Last* Action. A copy of the Third Amended Complaint is attached to this Settlement Agreement as Exhibit 3.

V. CERTIFICATION OF A CODE OF CIVIL PROCEDURE SECTION 382 CLASS

14. For settlement purposes only, the Parties stipulate to the conditional certification of the CRC Class and the Last Class (hereinafter the “Settlement Classes”) as opt-out classes under California Code of Civil Procedure 382.
15. The Parties stipulate that Plaintiffs Scott Carney and Donovan Last shall be appointed as Class Representatives for the CRC Class and that Michael Kaveler will be appointed as Class Representative for the Last Class.
16. The Parties stipulate that Peter R. Dion-Kindem of Peter R. Dion-Kindem, P.C., Lonnie C. Blanchard III of The Blanchard Law Group, APC, and Jeffrey Holmes of the Holmes Law Group, APC shall be appointed Class Counsel for the Settlement Classes.
17. The stipulation to certify the CRC Class and the Last Class is completely contingent upon final approval of this Settlement Agreement by the Court and is made for settlement purposes only. If the Settlement Agreement is not approved by the Court, is overturned on appeal, or does not become final for any other reason, the Parties agree that the certification of the Settlement Classes is void *ab initio* and that, if necessary, they shall stipulate to decertification of the Settlement Classes without prejudice to the propriety of class certification being adjudicated on the merits. The Parties agree, however, that the previous certification order entered by the Court in the *Carney* Action shall remain in force. The Parties further agree that if the Settlement Agreement does not become final or is canceled, rescinded, terminated, voided, or nullified, however that may occur, Plaintiffs will withdraw the Third Amended Complaint and the amended notices to LWDA, reinstate the Second Amended Complaint and notices to LWDA dated November 18, 2015, and May 20, 2020, and dismiss their claims against M-I without prejudice in the *Carney* Action and that the claims in the *Last* Action may proceed as directed by the U.S. District Court in its February 22, 2024, Order. If the LWDA decides to investigate any of the claims set forth in the amended notices or take further action to prosecute the claims, this Settlement Agreement shall be null and void.

VI. TERMS OF THE SETTLEMENT

A. Total Gross Settlement Amount

18. The Total Gross Settlement Amount shall be funded by Defendants and the responsibility for funding the Total Gross Settlement Amount will be allocated and

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determined by the separate confidential Allocation Agreement among Defendants. Nothing herein shall obligate any Defendant to contribute more to the Total Gross Settlement Amount than as agreed in the Allocation Agreement. The Allocation Agreement is and shall remain confidential among Defendants on the terms set forth therein. For tax purposes, 10% of the portions of the individual payments to the Participating Class Members will be treated as wages. For the remaining 90% of the individual payments to the Participating Class Members and for the payment to the PAGA Employees, said amount will be treated by the Parties as additional, non-wage damages and interest will not be subject to payroll withholdings and shall be reported on an IRS Form 1099, divided evenly between Box 3 and Box 7, which is to be provided by the Settlement Administrator. The portions of the individual payments to the Participating Class Members that will be treated by the Parties as wages will be subject to applicable payroll withholdings and shall be reported on an IRS Form W-2, which is to be provided by the Settlement Administrator. Defendants shall agree between themselves and separately pay in addition to the Gross Settlement Amount employer-side payroll taxes with respect to the 10% allocated to wages.

19. Participating Class Members and PAGA Employees shall be solely and exclusively responsible for remitting to state and/or federal taxing authorities any other applicable taxes due by them because of their settlement payments.
20. The settlement payments to Participating Class Members will be non-reversionary and will not require Participating Class Members to submit claim forms. All Class Members who have not validly requested to be excluded will be bound by the Settlement Agreement.
21. The Escrow Account has been opened by the Settlement Administrator. No later than 60 days following the full and complete execution of this Settlement Agreement and Confidential Allocation Agreement, each of the Defendants shall pay into the Escrow Account their respective Settlement Share, as set forth in the Allocation Agreement.
22. The Settlement Administrator shall provide to Defendants within seven (7) days of the close of the Opt-Out Period the amount of employer's share of payroll taxes, which shall be proportionate to each Defendant's share of the Total Gross Settlement Amount. No later than sixty (60) days following (1) the close of the Opt-Out Period, (2) receipt of the Settlement Administrator's calculation of the employer's share of payroll taxes owed by that Defendants, (3) receipt of a fully and properly-executed Form W-9 reflecting the payee name and address and a valid taxpayer identification number, and (4) receipt from the Settlement Administrator of sufficient wiring instructions to include the bank name and ABA routing number, each Defendant shall additionally pay into the Escrow Account its portion of any payroll tax liabilities.
23. A Defendant breaches the conditions contained in either Paragraphs 21 or 22 by failing to timely pay its respective Settlement Share and/or its share of employer

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payroll tax liability to the Escrow Account and failing to timely cure after notice. In the event the Defendants' Settlement Shares are not fully funded at the time they are due under Paragraphs 21 and/or 22, Plaintiffs or any non-breaching Defendant(s) can provide written notice of the breach to the breaching Defendant. That notice shall be sent to each of:

M-I L.L.C. at Robert Lombardi, The Kullman Firm, 1100 Poydras Street, Suite 1600, New Orleans, Louisiana 70163, and email to rpl@kullmanlaw.com and hdh@kullmanlaw.com

CRC at Jon Hawk, c/o McDermott Will & Emery LLP, 2049 Century Park East, Suite 3200, Los Angeles, CA 90067, and email to jhawk@mwe.com, and Keith Jacoby, c/o Littler Mendelson P.C., 2049 Century Park East, Suite 500, Los Angeles, CA 90067, and email to kjacoby@littler.com.

Geo at John Egley and Peter Choi, c/o Call & Jensen, 610 Newport Center Dr., Suite 700, Newport Beach, CA 92660, and email to jegley@calljensen.com and pchoi@calljensen.com.

Any notice sent after 4 p.m. on a business day in the time zone of the recipient's business address (i.e., excluding weekends and holidays) shall be deemed to have been received the following business day. The notice must specify the obligation at issue, including if the breach is non-payment of an amount due, and the date on which it was due. The purportedly breaching Defendant will then have seven (7) business days from the date that notice is received via email to cure the purported breach, including, where applicable, by paying the Settlement Share and/or share of employer payroll tax liability as set forth in Paragraphs 21 and 22, above. If cure is not timely made by the breaching Defendant, or at its/their sole discretion, by any non-breaching Defendant(s), then only after that cure period has expired, any of the Plaintiffs can immediately void the agreement or any of the Plaintiffs or non-breaching Defendant(s) can apply *ex parte* to the court to have judgment entered against the breaching Defendant(s) only and this Settlement Agreement and the Allocation Agreement enforced against the breaching Defendant only, including, but not limited, as to any portion of its Settlement Share and/or its proportionate share of payroll tax liability that is unpaid into the Escrow Account as of that date, including by the Court entering the Stipulation for Entry of Judgment in the form attached hereto as Exhibit 4. For the avoidance of doubt, each of the Defendants agrees that, in the event any of them fails to timely comply with their obligations as set forth in Paragraphs 21 and 22 hereof, they stipulate to the entry of judgment being entered against the breaching Defendant in the form reflected in Exhibit 4. No Party is permitted to seek enforcement of the Settlement Agreement via *ex parte* application or otherwise if the Plaintiffs elect to void the Settlement Agreement. Any non-breaching Defendant(s) who contribute a breaching-

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Defendant's Settlement Share or ER Payroll Taxes (or any portion thereof) retains the right to apply *ex parte* to the court to have judgment entered and the Settlement Agreement and the Allocation Agreement enforced against the breaching Defendant(s).

24. If the Settlement Agreement is canceled, rescinded, terminated, voided, or nullified, however that may occur, or the settlement of the Actions is barred by operation of law, is invalidated, is not approved or otherwise is ordered not to be carried out by the Court or any court of competent jurisdiction, Defendants will cease to have any obligation to pay or provide any portion of the Total Gross Settlement Amount or employer's payroll tax liability to anyone under the terms of this Settlement Agreement and any portions already paid will be refunded to each Defendant in full along with all interest accrued to date.
25. Defendants' respective shares of the Total Gross Settlement Amount (including employer payroll taxes) are set forth in the separate, confidential Allocation Agreement. The Settlement Administrator shall not inform Plaintiffs of the amount or proportion of each Defendant's respective share of the Total Gross Settlement Amount or employer payroll tax liabilities.

B. Attorneys' Fees and Costs

26. Class Counsel will apply for, and Defendants will not oppose, an award of attorneys' fees in an amount up to, but not to exceed, 33 and 1/3% of the Total Gross Settlement Amount and litigation costs and expenses in the maximum amount of \$200,000, all of which shall be paid exclusively from the Total Gross Settlement Amount and will compensate Class Counsel for all of the work already performed in the Actions and all work remaining to be performed in documenting the Settlement Agreement, securing Court approval of the Settlement Agreement, administering the Settlement Agreement, ensuring that the Settlement Agreement is fairly administered and implemented, and litigating any appeals, as well as all associated expenses.
27. The amount, if any, by which the finally approved fees and costs are less than the maximum amount which can be sought pursuant to this Settlement Agreement shall be paid to the Participating Class Members in accordance with this Settlement Agreement.
28. Defendants shall not be responsible for any attorneys' fees or costs, including as to each other, other than as provided in this Settlement Agreement and the separate, confidential Allocation Agreement.
29. No later than fifteen (15) calendar days after the Court's approval of Class Counsels' application for attorneys' fees and costs, Class Counsel shall deliver to the Settlement Administrator written instructions that describe the manner and mode of payment of such attorneys' fees and costs (and, in the absence of such instructions, such attorneys' fees and costs shall be sent by U.S. mail as set forth

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below), and fully-executed Form W-9s with respect to all persons or entities to whom some or all of the attorneys' fees and costs shall be paid.

30. No later than seven (7) days following completion of all conditions precedent, including but not limited to expiration of the Effective Date and all conditions set forth in Paragraphs 21 and 22, the Settlement Administrator shall issue a payment to Class Counsel for the attorneys' fees and costs approved by the Court and in accordance with the instructions provided by Class Counsel.

C. Payment to Settlement Administrator

31. The Settlement Administrator has provided a "not to exceed" bid of \$10,711.00. Assuming the conditions precedent have been met, including but not limited to expiration of the Effective Date and all conditions set forth in Paragraphs 21 and 22, at the time it issues payment to Class Counsel, the Settlement Administrator may issue a payment to itself for the fees and expenses approved by the Court.

D. Class Representative Payments and Payment to Plaintiff Martinez and Carney Wrongful Termination Payment

32. Defendants agree that Plaintiffs and Class Counsel will apply to the Court for Class Representative Payments, which will be determined by the Court at the Final Approval Hearing. Class Representatives and Class Counsel will apply for Class Representative Payments in amounts of up to \$10,000 each, a payment to Plaintiff Martinez in the amount of \$10,000, and a payment to Plaintiff Carney in the amount of \$20,000 for the release of Carney Wrongful Termination Claim (Carney Wrongful Termination Payment), all of which shall be paid exclusively from the Total Gross Settlement Amount and will compensate the Class Representatives for their services as Class Representatives, Plaintiff Martinez for his service as a named plaintiff and his general release, and the release by Plaintiff Carney of his wrongful termination claim and general release. Defendants will not oppose Plaintiffs' application for Class Representative Payments or to Plaintiff Martinez and Plaintiff Carney up to the stated amounts. The amounts, if any, by which these payments are less than the maximum amount which can be sought pursuant to this Settlement Agreement shall be part of the Class Settlement Payment.
33. In consideration of the Class Representative Payment and Payment to Plaintiff Martinez and Plaintiff Carney, the Class Representatives and Plaintiff Martinez release the Class Representative and Plaintiff Martinez's Released Claims, and Scott Carney releases the Carney Wrongful Termination Claim.
34. Any Class Representative Payments and/or payment to Plaintiff Martinez and/or the Carney Wrongful Termination Payment to Plaintiff Carney awarded by the Court shall be in addition to the payment, if any, he/they may otherwise receive as a Participating Class Member and/or PAGA Employee and shall not be subject to payroll tax withholding and deductions.

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35. No later than seven (7) calendar days after satisfaction of all conditions precedent, including but not limited to expiration of the Effective Date and all conditions set forth in Paragraphs 21 and 22, the Settlement Administrator shall issue the Class Representative Payments, the Payment to Plaintiff Martinez, and the Carney Wrongful Termination Payment to Plaintiff Carney as directed by Class Counsel in the amount approved by the Court, subject to all authorized and required deductions. The Settlement Administrator will issue IRS Form 1099-MISC to the Class Representatives for the Class Representative Payments and to Plaintiff Martinez and Plaintiff Carney for their respective payments.

E. Distribution to Participating Class Members

36. The maximum settlement distribution amount available to Participating Class Members shall be distributed as set forth below, using the Damages and Penalties Analysis attached as Exhibit 1 hereto. If any of the Class Members listed on Exhibit 1 opts out, Exhibit 1 will be revised to exclude the data for such Class Member.

F. Distribution of PAGA Payment

37. An amount totaling \$375,000 of the PAGA Payment will be distributed to LWDA (75% of \$500,000).
38. The remaining \$125,000 of the PAGA Payment will be distributed to the PAGA Employees as set forth in Exhibit 1.

G. Second Distribution of Uncashed Checks

39. If any Participating Class Member or PAGA Employee does not cash his or her settlement check(s) within 180 days after issuance, the Settlement Administrator shall void the check 15 calendar days after the check-cashing deadline.
40. The sum of the uncashed checks to the Participating Class Members shall be distributed to the Participating Class Members who timely cashed their checks using the same formula used for the original distribution except only using the total Amounts for the Participating Class Members who cashed their checks as reflected on revised Exhibit 1 and using as the denominator the amount of the uncashed checks for the amounts.
41. The sum of the uncashed checks to the PAGA Employees shall be distributed to the PAGA Employees who timely cashed their checks using the same formula used for the original distribution except only using the data for the PAGA Employees who cashed their checks as reflected on Exhibit 1 and using as the denominator the amount of the uncashed checks to the PAGA Employees

H. Characterization of Payments

42. Ninety percent (90%) of each Gross Individual Settlement Payment will be allocated as non-wage payments consisting of interest, penalties, liquidated damages, and related aspects of the settlement (the "Non-Wage Income Settlement

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Payment”), and ten percent (10%) of each Gross Individual Settlement Payment will be allocated as wages (“Wage Income Settlement Payment”).

43. PAGA Payments to PAGA Employees shall be treated as non-wage payments.
44. Neither Plaintiffs, Class Counsel, Defendants, nor counsel for Defendants intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such. If the IRS or other taxing authority subsequently determines that payments under this Settlement Agreement were mischaracterized and that additional taxes are due, Defendants’ responsibility will be limited to any employer-side taxes found due (including, but not limited to, FICA, FUTA, and all other state and federal payroll taxes), and Participating Class Members and PAGA Employees will be responsible for any additional tax liability resulting from their individual awards.
45. Participating Class Members and PAGA Employees shall hold Defendants harmless for any liability resulting from the tax treatment of funds from the Total Gross Settlement they receive based upon the characterization of those funds negotiated by Class Counsel and approved by the Court.
46. No later than fifteen (15) calendar days following the close of the Opt-Out Period, the Settlement Administrator will provide counsel for Defendants and Class Counsel with a list of those members of the Class Members who did not submit timely requests for exclusion.
47. Within seven (7) calendar days after satisfaction of all conditions precedent, including but not limited to expiration of the Effective Date and all conditions set forth in Paragraphs 21 and 22, the Settlement Administrator will distribute to: (1) every Participating Class Member his or her Net Settlement Payment, which is the Individual Gross Settlement Payment less lawful taxes and withholdings on the Wage Income Settlement Payment, and (2) every PAGA Employee his/her Individual PAGA Payment. The Settlement Administrator shall make appropriate tax reporting in accordance with this Settlement Agreement and applicable law and regulations.
48. Within ten (10) calendar days after satisfaction of all conditions precedent, including but not limited to expiration of the Effective Date and all conditions set forth in Paragraphs 21, 22, and 47, the Settlement Administrator will remit 75% of the PAGA Payment to the California Labor and Workforce Development Agency.

I. Distribution of Uncashed Checks to California State Bar Impact Fund

49. If any Participating Class Member or PAGA Employee does not cash his or her settlement check(s) for the second distribution within 180 days after issuance, the Settlement Administrator shall void the check 15 calendar days after the check-cashing deadline. Any remaining funds shall be distributed to the California State Bar Impact Fund. Any interest payment required by CCP Section 384 shall be deducted from the proceeds of any uncashed checks and shall proportionally revert

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to the Defendants. In no event shall any interest result in an increase to the Total Gross Settlement Amount

50. The Parties believe that there is unlikely to be significant funds remaining after distribution and that distributing those funds in their entirety to California State Bar Impact Fund would better serve the interest of the Settlement Classes than the distribution apportionment contemplated under California Civil Procedure Code section 384. The Court shall set a date when the Parties shall report to the Court the total amount that was actually paid to Participating Class Members and a plan for distributing any remaining funds pursuant to section 384. The Parties agree that this obligation shall satisfy and fully discharge Defendants' obligations under California Code of Civil Procedure Section 384.

VII. APPOINTMENT AND DUTIES OF SETTLEMENT ADMINISTRATOR

51. The Settlement Administrator shall perform the following duties in connection with administration of the Settlement Agreement: (1) using the data provided by third parties to prepare the Class Notice for each Class Member as described in this Settlement Agreement; (2) address verification measures described herein; (3) mailing the Class Notice to Class Members; (4) tracking non-delivered Class Notices and taking reasonable steps to re-send them to Class Members' current addresses; (5) setting up a settlement website which contains copies of all papers and orders filed in connection with preliminary and final approval, including the final Settlement Agreement, operative complaint, and Final Approval Order and Judgment; (6) tracking and timely reporting to Class Counsel and Counsel for Defendants about the received requests for exclusion; (7) calculating and paying the amounts due to each Participating Class Member pursuant to the Settlement Agreement; (8) calculating each Defendant's share of the employer's payroll taxes in accordance with the terms of this Settlement Agreement and Defendants' separate confidential, Allocation Agreement; (9) transmitting funds to resolve the PAGA Claims to the Labor and Workforce Development Agency; (10) issuing payments to Class Counsel, the Class Representatives, Plaintiff Martinez, and Plaintiff Carney and associated tax forms; and (11) issuing any payments to the *cy pres* recipient.
52. All disputes relating to the Settlement Administrator's performance of its duties will be referred to the Court, if necessary, which will have continuing jurisdiction over this Settlement Agreement until all payments and obligations contemplated by this Settlement Agreement have been fully carried out.

VIII. NOTICE TO THE CLASS OF THE SETTLEMENT

A. Mailing the Notice Packets to the Class Members

53. Within seven (7) calendar days after the Court enters its Preliminary Approval Order, the Defendants will provide to the Settlement Administrator a database that lists, for each Class Member and PAGA Employee, the individual's name, Social Security Number (if known), last known reported address and telephone number (if

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known). If Defendants cannot provide to the Settlement Administrator such data within that seven-day period because all or some part of it is not available from the third party vendors from which Defendants contracted to obtain Class Members, such period (and any other necessary dates which are dependent upon such seven-day period) shall automatically be extended by a period up to 45 days so that the Parties may attempt to obtain such information from such vendors and provide it to the Settlement Administrator. If further extensions are required, the Parties will agree to them in writing.

54. The data provided to the Settlement Administrator, Defendants, and Class Counsel will remain confidential and will not be disclosed to anyone, except as required to applicable tax authorities, pursuant to Defendants' express written consent, legal process, or by order of the Court.
55. Upon receipt of the database from the Parties, the Settlement Administrator will run the addresses through the USPS' National Change of Address database. Upon receipt of the updated addresses, the Settlement Administrator will apply address updates prior to mailing settlement notices via First-Class Mail.
56. Within ten (10) calendar days after the Parties provide the Settlement Administrator the contact information, the Settlement Administrator will mail, by first-class mail, the Class Notice to all Class Members at their last-known addresses, unless modified by any updated address information that the Settlement Administrator obtains during the administration of the Settlement Agreement.
57. The Settlement Administrator will use standard devices, including the National Change of Address database or equivalent, to obtain forwarding addresses prior to mailing and will use appropriate skip tracing to take appropriate steps to maximize the probability that the Class Notice will be received by all Class Members. Class Members to whom the Class Notice is resent after having been returned undeliverable to the Settlement Administrator shall have ten (10) additional calendar days following the Exclusion/Objection Deadline to mail, fax or email the request for exclusion or an objection. Class Notices that are re-sent shall inform the recipient of this adjusted deadline. If a Class Member's Class Notice is returned to the Settlement Administrator more than once as non-deliverable, no additional Class Notice shall be sent.
58. The Settlement Administrator shall provide regular reports to Class Counsel and Defendants' Counsel as to the mailings of Class Notice and the receipt of requests for exclusion and objections prior to the end of the period in which claims can be made. The Settlement Administrator shall also provide the report as set forth in Paragraph 67.

B. Settlement Website

59. The Settlement Administrator will create a settlement website containing copies of all papers and orders filed in connection with preliminary and final approval, including the final Settlement Agreement and operative complaint in the *Carney*

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Action. These documents will be posted not later than the mailing of the Class Notice and will remain posted until the date of the Final Approval Order. The Settlement Administrator will also post on its website the Final Approval Order and Judgment.

C. Objections to Settlement Agreement

60. The Class Members will have 60 calendar days after the date on which the Settlement Administrator mails the Class Notice to object to the Settlement Agreement by serving on the Settlement Administrator a written objection to the Settlement Agreement that must be postmarked, emailed, or faxed on or before the 60-day deadline. Class Members to whom the Class Notice is resent after having been returned undeliverable to the Settlement Administrator shall have 10 additional calendar days following expiration of the Exclusion/Objection Deadline to mail, fax, or email an objection.
61. Only Participating Class Members may object to the Settlement Agreement, and any Class Member who has elected not to participate in the settlement pursuant to the procedure set forth below may not submit an objection to the settlement.
62. A Class Member who does not serve a written objection in the manner and by the deadline specified above will be deemed to have waived any objection and will be foreclosed from making any objections to the Settlement Agreement (whether by appeal or otherwise).
63. The Settlement Administrator shall provide the Parties with a copy of any objections received within one business day of receipt. Class Counsel shall file any objections and any response thereto at least seven calendar days before the Final Approval Hearing.

D. Election Not to Participate in the Class Settlement

64. For CRC Class Members that have had no previous opportunity to opt out of the CRC Class and for any/all Last Class Members to request exclusion validly and effectively from this Settlement Agreement, the Class Member must submit to the Settlement Administrator a request for exclusion from the settlement according to the procedures set forth in the Class Notice. If additional information is required, the Settlement Administrator will communicate with the Class Member. To be valid, the request for exclusion must be postmarked, emailed, or faxed no later than 60 calendar days after the date of mailing of the Class Notice (the "Opt-Out Period"). Class Members to whom the Class Notice is resent after having been returned undeliverable to the Settlement Administrator shall have ten (10) additional calendar days following expiration of the Exclusion/Objection Deadline, to mail, fax, or email the request for exclusion. No request for exclusion will be accepted if postmarked for delivery, emailed, or faxed to the Settlement Administrator after the deadline indicated. Class Members that previously had an opportunity to opt out of the CRC Class will have no further opportunity to opt out of the CRC Class.

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- 65. If the Settlement Agreement is approved by the Court, any Class Member who does not properly and timely submit a request for exclusion will automatically be bound by all terms and conditions of the Settlement Agreement, including its release of claims, regardless of whether such Class Member has objected to the settlement.
- 66. A Class Member who properly and timely submits a request for exclusion will not be bound by the Settlement Agreement.

E. Reports and Declaration by Settlement Administrator

- 67. By not later than 20 calendar days after expiration of the 60-day deadline for submission of written requests not to participate in the Settlement, the Settlement Administrator will submit to Class Counsel and Counsel for Defendants a report setting forth the people (identified by name and the last four digits of their Social Security Number if available) who as of that date have submitted (a) valid requests for exclusion, and (b) invalid requests to be excluded from the settlement (the Opt-Out Report). If the Settlement Administrator subsequently receives a valid and timely request not to participate in the settlement, it will promptly distribute an updated Opt-Out Report.
- 68. By not later than 20 calendar days after the 60-day notice period expires (extended by re-mailings, if applicable), the Settlement Administrator will prepare and submit to the Parties' counsel for filing in support of their motion for final approval of the settlement a declaration attesting to its mailing of the Class Notice, its receipt of requests for exclusion and objections, and its inability to deliver the Class Notice to potential Class Members due to invalid addresses. As applicable, the Settlement Administrator will prepare and submit for filing in support of the motion for final approval, any supplemental declaration.
- 69. Class Counsel shall provide all notices of the settlement of PAGA Claims to the LWDA in accordance with California law.

IX. RIGHT TO RESCIND

- 70. If 10% or more of the Class Members submit valid requests not to participate in the settlement, each Defendant will have the exclusive right in its sole discretion to rescind the Settlement Agreement, and all actions taken in its furtherance will be null and void. Defendant(s) must exercise this right and notify all other Parties in writing of such election within 10 days after the date on which the Settlement Administrator first informs Defendants that at least 10% of the potential Class Members have made valid requests to be excluded from the settlement.
- 71. The amount of the Total Gross Settlement Amount is deemed a material term of this Settlement Agreement, and any of the Defendants may revoke the Settlement Agreement if the Court insists on a change that increases the obligation of Defendants to pay an amount in excess of the Total Gross Settlement Amount. Changes requested by the Court to the allocation of funds between PAGA Claims and the remaining class claims, or changes in the amount of attorneys' fees and

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costs or Class Representative Payments or payments to Plaintiff Martinez or Plaintiff Carney, or changes to the procedures accompanying the administration of the settlement will not form the basis for any party in the Actions to revoke this Settlement Agreement provided that such changes do not result in an increase of the Total Gross Settlement Amount.

X. RELEASE OF CLAIMS

A. Release of Claims by Participating Class Members

72. As of the date the Final Approval Order is entered by the Court and except as to such rights or claims as may be created by this Settlement Agreement, to the maximum extent allowed by law, each Participating Class Member who has not timely and effectively opted out will be deemed to have released all Participating Class Member Released Claims as to the Released Parties.
73. Participating Class Members are not eligible for any benefits, and in any event, will be deemed to have waived all claims for benefits premised upon the Gross Individual Settlement Payments to them, whether known or unknown by them, as part of their Released Claims under this Settlement Agreement.

B. Release of Claims by the Class Representatives and Plaintiff Martinez

74. As of the date the Final Approval Order is entered by the Court and except as to such rights or claims as may be created by this Settlement Agreement, to the maximum extent allowed by law, the Class Representatives and Plaintiff Martinez will be deemed to have released the Class Representative and Plaintiff Martinez's Released Claims, and Plaintiff Carney will be deemed to have released the Carney Wrongful Termination Claim.

C. Release of PAGA Claims

75. PAGA Employees have no optout rights as to the settlement of the PAGA Claims. Accordingly, upon the effective date of this Settlement Agreement, Donovin Last and Scott Carney, on behalf of themselves, the State of California, and all PAGA Employees waive, fully release, and forever discharge the Released Parties from the PAGA Claims.

XI. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

76. The Parties shall submit this Settlement Agreement to the Court in support of Plaintiffs' Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. As soon as reasonably possible upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order granting preliminary approval of the Settlement Agreement and Notice which shall provide for, among other things, the following:
- (a) Scheduling a Final Approval Hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable and adequate as to the Settlement Classes.

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- (b) Approving as to form and content the proposed Class Notice described herein;
 - (c) Directing the mailing of the Class Notice by first class mail to the Class Members;
 - (d) Preliminarily approving the Settlement Agreement;
 - (e) Preliminary certifying the CRC Class and Last Class for settlement purposes only; and
 - (f) Approving Peter R. Dion-Kindem, Lonnie C. Blanchard III, and Jeff Holmes as Class Counsel; Scott Carney, Donovan Last, and Michael Kaveler as Class Representatives, and Simpluris as Settlement Administrator.
77. After the Preliminary Approval Order is entered by the Court, Class Counsel shall apply to the Court for Class Counsel Attorneys' Fees Award and Class Counsel Cost Award to be heard on the same hearing date as set by the Court for the Final Approval Hearing.

XII. DUTIES OF THE PARTIES REGARDING FINAL APPROVAL

78. In connection with the final approval by the Court of the settlement, the Parties will submit a proposed Final Approval Order and Judgment which shall provide, among other things, as follows:
- (a) Approving the settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
 - (b) Approving Class Counsels' Attorneys' Fees Award application and Class Counsels' Costs Award application;
 - (c) Approving the Class Representatives' Payments;
 - (d) Certifying the CRC Class and Last Class for purposes of this settlement only; and
 - (e) Entering judgment pursuant to California Rules of Court, rule 3.769(h) which retains jurisdiction.

Notice of the Final Approval Order and Judgment shall be given by Class Counsel to Defendants, which notice shall satisfy the requirements of California Rules of Court, Rule 3.771.

XIII. EFFECT OF NON-APPROVAL

79. If this Settlement Agreement is not preliminarily and finally approved by the Court, a Final Approval Order is not entered, or if a Party exercises the option to rescind pursuant to this Settlement Agreement, this Settlement Agreement shall be null and void. In such event, (1) nothing in this Settlement Agreement shall be construed as

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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a determination, admission, or concession of any issue in the Actions, and nothing in this Settlement Agreement, including the Settlement Agreement itself, may be offered into evidence in any trial on the merits of the claims asserted in the Complaint filed in the Actions, in any subsequent pleading, or in any subsequent matter in order to demonstrate the appropriateness of class treatment and/or certification; (2) the Parties expressly reserve their rights with respect to the prosecution and defense of the Actions as if this Settlement Agreement never existed; and (3) only in the case of one or more Parties exercising their option to rescind, that/those Parties shall be responsible for any costs for Class Notice or claims administration incurred by the Settlement Administrator through that date; in all other scenarios where the Settlement Agreement is not approved, the costs shall be born equally among the Parties. If there is any reduction in the attorneys' fees or costs awards or the Class Representative Payment, such reduction may be appealed but is not a basis for rendering this Settlement Agreement void, voidable and/or unenforceable.

80. The Defendants' confidential Allocation Agreement is not subject to disclosure and will remain confidential.

XIV. CONFIDENTIALITY

81. Except for disclosures authorized by Defendants or as necessary to prepare the motion for preliminary approval, the terms of this Settlement Agreement shall remain confidential until it is presented to the Court in connection with the motion for preliminary approval. Specifically, the Parties agree that until the motion for preliminary approval of the Settlement Agreement is filed, they and each of them will not disclose, disseminate and/or publicize or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Settlement Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Settlement Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify every other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Representative Plaintiffs, Plaintiff Martinez, Class Counsel, Defendants, and counsel for Defendants separately agree not to, directly or indirectly, initiate any conversation or other communication before the filing of the motion for preliminary approval with any third party regarding this Settlement Agreement or the matters giving rise to this Settlement Agreement except to respond only that "the matter was resolved," or words to that effect. This Paragraph does not restrict Class Counsel's communications with Class Members.
82. Following the submission for preliminary approval and thereafter, the Parties shall not publicize the settlement of the Actions or the terms thereof via: (a) press

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releases; (b) internet postings except for simply posting publicly filed court documents; or (c) any form of communications with third parties.

XV. MUTUAL FULL COOPERATION

83. The Parties will fully cooperate with each other and use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary or ordered by the Court, or otherwise, to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to obtain preliminary and final approval of this Settlement Agreement and to implement its terms.

XVI. NOTICES

84. Unless otherwise specifically provided by this Settlement Agreement, all notices, demands or other communications given under this Settlement Agreement will be in writing and be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return-receipt requested, addressed as follows:

To Plaintiff and the Settlement Classes:

Peter R. Dion-Kindem, Bar No. 95267
The Dion-Kindem Law Firm
Peter R. Dion Kindem, P.C.
3856 Davids Road
Agoura Hills, CA 91301
Telephone: 818.883.4900
Email: peter@dionkindemlaw.com

Lonnie C. Blanchard, III (SBN 93530)
The Blanchard Law Group, APC
177 East Colorado Boulevard, Suite 200
Pasadena, California 91105
Telephone: (213) 599-8255
Email: lonnieblanchard@gmail.com

To Defendants:

Call & Jensen
A Professional Corporation
John T. Egley
Peter Choi
610 Newport Center Drive, Suite 700
Newport Beach, CA 92660

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J. Jonathan Hawk
McDermott Will & Emery LLP
2049 Century Park East, Suite 3200
Los Angeles, CA 90068

Keith A. Jacoby
Littler Mendelson P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067-3107

Robert P. Lombardi
THE KULLMAN FIRM
A Professional Law Corporation
1100 Poydras St., Ste. 1600
New Orleans, LA, 70163-1600

XVII. CONSTRUCTION

85. This Settlement Agreement is the result of lengthy, arms-length negotiations between the Parties. This Settlement Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party or the Party's counsel participated in the drafting of this Settlement Agreement.

XVIII. CAPTIONS AND INTERPRETATIONS

86. Paragraph and section titles, headings, or captions contained in this Settlement Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any of its provisions.

XIX. MODIFICATION

87. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

XX. APPLICABLE LAW

88. All terms and conditions of this Settlement Agreement will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.

XXI. INTEGRATION CLAUSE

89. This Settlement Agreement and the attached Exhibits which by this reference are incorporated into this Settlement Agreement, together with the confidential Allocation Agreement among Defendants, constitute the entire agreement between the Parties relating to the settlement and transactions contemplated by the

**CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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settlement. All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or a Party's counsel, are superseded by this Settlement Agreement. No rights under this Settlement Agreement may be waived except in writing.

XXII. BINDING ON ASSIGNS

90. This Settlement Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

XXIII. CLASS MEMBER SIGNATORIES

91. The Parties agree that because the Class Members are so numerous, it is impossible or impractical to have each Class Member who does not timely and validly opt-out execute this Settlement Agreement. The Class Notice will inform all Class Members of the binding nature of the release contained herein and will have the same force and effect as if this Settlement Agreement were executed by each Class Member who does not timely and validly opt-out.

XXIV. COUNTERPARTS

92. This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Settlement Agreement, which will be binding upon and effective as to all Parties.
93. This Settlement Agreement may be signed by facsimile signature or digital signature, each of which will have the same force and effect as an original signature.

XXV. PARTIES' AUTHORITY TO SIGN

94. The signatories to this Settlement Agreement hereby represent that they are fully authorized to enter this Settlement Agreement on behalf of themselves or their respective principals.

XXVI. EXECUTION BY PARTIES AND COUNSEL

The Parties hereby execute this document to evidence their acceptance of and agreement to the Settlement Agreement.

Signatures on following page

**CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE**

Dated: May 28, 2025

Scott Carney
Scott Carney

Dated: _____, 2025

Romein Martinez

Dated: _____, 2025

Donovin Last

Dated: _____, 2025

Michael Kaveler

Dated: _____, 2025

California Resources Corporation
By _____

Its _____

Dated: _____, 2025

Geo Drilling Fluids, Inc.

By _____

Its _____

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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Dated: _____, 2025

Scott Carney

Dated: 6/3, 2025

Romein Martinez
Romein Martinez

Dated: _____, 2025

Donovin Last

Dated: _____, 2025

Michael Kaveler

Dated: _____, 2025

California Resources Corporation
By _____
Its _____

Dated: _____, 2025

Geo Drilling Fluids, Inc.
By _____
Its _____

**CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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Dated: _____, 2025

Scott Carney

Dated: _____, 2025

Romein Martinez

Dated: June 1, 2025

D.C. Last
Donovin Last

Dated: _____, 2025

Michael Kaveler

Dated: _____, 2025

California Resources Corporation

By _____

Its _____

Dated: _____, 2025

Geo Drilling Fluids, Inc.

By _____

Its _____

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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Dated: _____, 2025

Scott Carney

Dated: _____, 2025

Romein Martinez

Dated: _____, 2025

Donovin Last

Dated: 05/28/2025, 2025


Michael Kaveler (May 28, 2025 17:38 CDT)

Michael Kaveler

Dated: _____, 2025

California Resources Corporation
By _____
Its _____

Dated: _____, 2025

Geo Drilling Fluids, Inc.

By _____

Its _____

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

Dated: _____, 2025

Scott Carney

Dated: _____, 2025

Romein Martinez

Dated: _____, 2025

Donovin Last

Dated: _____, 2025

Michael Kaveler

Dated: 6/3/2025, 2025



California Resources Corporation
By Jody Johnson

Its VP and Deputy General Counsel

Dated: _____, 2025

Geo Drilling Fluids, Inc.

By _____

Its _____

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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Dated: _____, 2025

Scott Carney

Dated: _____, 2025

Romein Martinez

Dated: _____, 2025

Donovin Last

Dated: _____, 2025

Michael Kaveler

Dated: _____, 2025

California Resources Corporation

By _____

Its _____

Dated: June 12, 2025

James Clifford III

Geo Drilling Fluids, Inc.

By James Clifford III

Its President/CEO

**CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
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Dated: 10-Jun-25, 2025

Signed by:

7194ACF64DFF489...

M-I LLC

By Henry Lee Conn

Its President

Dated: _____, 2025

PETER R. DION-KINDEM
PETER R. DION-KINDEM, P.C.
Attorneys for Plaintiffs
As counsel only and not as a party

Dated: _____, 2025

LONNIE C. BLANCHARD III
THE BLANCHARD LAW GROUP, APC
Attorneys for Plaintiffs
As counsel only and not as a party

Dated: _____, 2025

J. Jonathan Hawk
McDermott Will & Emery LLP
Attorneys for Defendant/Cross-Complainant
California Resources Corporation
As counsel only and not as a party

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

Dated: _____, 2025

M-I LLC

By _____

Its _____

Dated: June 4 _____, 2025



LARS KINDEM
PETER R. DION-KINDEM, P.C.
Attorneys for Plaintiffs
As counsel only and not as a party

Dated: June 18 _____, 2025

Lonnie C. Blanchard

LONNIE C. BLANCHARD III
THE BLANCHARD LAW GROUP, APC
Attorneys for Plaintiffs
As counsel only and not as a party

Dated: _____, 2025

J. Jonathan Hawk
McDermott Will & Emery LLP
Attorneys for Defendant/Cross-Complainant
California Resources Corporation
As counsel only and not as a party

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

Dated: _____, 2025

M-I LLC

By _____

Its _____

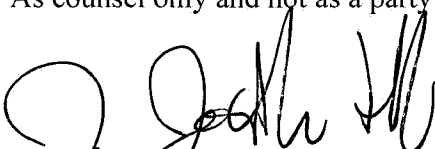
Dated: _____, 2025

PETER R. DION-KINDEM
PETER R. DION-KINDEM, P.C.
Attorneys for Plaintiffs
As counsel only and not as a party

Dated: _____, 2025

LONNIE C. BLANCHARD III
THE BLANCHARD LAW GROUP, APC
Attorneys for Plaintiffs
As counsel only and not as a party

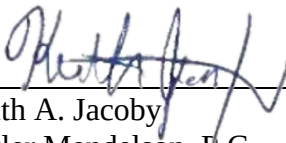
Dated: June 5, 2025



J. Jonathan Hawk
McDermott Will & Emery LLP
Attorneys for Defendant/Cross-Complainant
California Resources Corporation
As counsel only and not as a party

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

Dated: June 5, _____, 2025



Keith A. Jacoby
Littler Mendelson, P.C.
Attorneys for Defendant/Cross-Complainant
California Resources Corporation
As counsel only and not as a party

Dated: _____, 2025

John T. Egley
Call & Jensen
Attorneys for Defendant Geo Drilling Fluids,
Inc., as counsel only and not as a party

Dated: _____, 2025

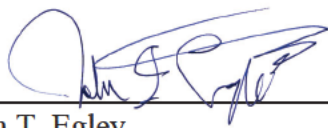
Robert P. Lombardi
THE KULLMAN FIRM
Attorneys for M-I, LLC as counsel only and
not as a party

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

Dated: _____, 2025

Keith A. Jacoby
Littler Mendelson, P.C.
Attorneys for Defendant/Cross-Complainant
California Resources Corporation
As counsel only and not as a party

Dated: June 16, 2025



John T. Egley
Call & Jensen
Attorneys for Defendant Geo Drilling Fluids,
Inc., as counsel only and not as a party

Dated: _____, 2025

Robert P. Lombardi
THE KULLMAN FIRM
Attorneys for M-I, LLC as counsel only and
not as a party

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE

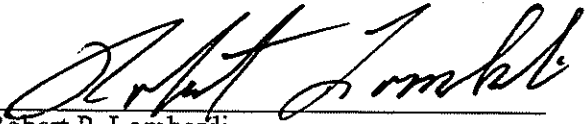
Dated: _____, 2025

Keith A. Jacoby
Littler Mendelson, P.C.
Attorneys for Defendant/Cross-Complainant
California Resources Corporation
As counsel only and not as a party

Dated: _____, 2025

John T. Egley
Call & Jensen
Attorneys for Defendant Geo Drilling Fluids,
Inc., as counsel only and not as a party

Dated: June 13, 2025



Robert P. Lombardi
THE KULLMAN FIRM
Attorneys for M-I, LLC as counsel only and
not as a party

Exhibit 1

Exhibit 1 to Settlement Agreement

Gross Settlement for Distribution to Classes		\$ 17,980,000.00	
Total Class Members	Net Non-PAGA Settlement for Distribution	Net PAGA Settlement for Distribution	Total Distribution
289	\$11,229,289.00	\$125,000	\$11,354,289.00

	Class Member's Share	PAGA Employee's Share	Total Distribution
<u>CRC Class</u>			
ADAM PRITCHARD	\$3,095.05	\$46.83	\$3,141.88
ADAN CARRILLO	\$23,218.23	\$1,077.18	\$24,295.41
ADRIAN JONES	\$2,328.60	\$0.00	\$2,328.60
ALAN CRANE	\$40,322.65	\$0.00	\$40,322.65
ALEJANDRO FERNANDEZ	\$14,743.75	\$93.67	\$14,837.42
ALEXANDER HARRISON	\$24,616.71	\$234.17	\$24,850.88
AMR SHAABAN KHALIL	\$16,253.24	\$515.17	\$16,768.41
ANDREW SNYDER	\$31,320.05	\$140.50	\$31,460.55
ANGEL DAVILA	\$8,066.18	\$0.00	\$8,066.18
ANTHONY NDAH	\$24,102.26	\$0.00	\$24,102.26
ATALIE DANIEL	\$6,361.06	\$0.00	\$6,361.06
AUSTEN GREGERSON	\$5,414.26	\$187.34	\$5,601.60
BEN ROBINSON	\$4,253.39	\$0.00	\$4,253.39
BETH BRADLEY	\$21,654.79	\$0.00	\$21,654.79
BILLY MCBRIDE	\$12,575.13	\$421.51	\$12,996.64
BOB YOUNG	\$21,793.42	\$0.00	\$21,793.42
BRADLEY WALLACE	\$7,441.77	\$0.00	\$7,441.77
BRANDON ROMANO	\$12,692.49	\$0.00	\$12,692.49
BRIAN BREAUX	\$5,741.86	\$0.00	\$5,741.86
BRIAN JONES	\$285,952.01	\$4,917.57	\$290,869.59
BRUCE BARNARD	\$12,356.04	\$93.67	\$12,449.71
BRYAN LATINKA	\$7,261.33	\$0.00	\$7,261.33
BRYAN REDD	\$8,642.10	\$0.00	\$8,642.10
CARLOS CHAVIRA	\$29,022.23	\$93.67	\$29,115.90
CARLOS HERNANDEZ	\$9,803.10	\$0.00	\$9,803.10
CEI PING WU	\$1,066.44	\$0.00	\$1,066.44
CHRIS BOWLING	\$9,555.68	\$234.17	\$9,789.85
CHRIS DAVIDSON	\$10,791.65	\$0.00	\$10,791.65
CHRIS PATTERSON	\$50,455.87	\$0.00	\$50,455.87
CHRIS TISLER	\$28,037.47	\$2,013.86	\$30,051.34
CHRIS TYSON	\$29,865.44	\$0.00	\$29,865.44
CHRISTOPHER BOWERS	\$27,167.14	\$0.00	\$27,167.14
CLINTON WOODS	\$2,672.36	\$93.67	\$2,766.03
COLIN TIMMONS	\$74,455.68	\$0.00	\$74,455.68
COLTON TIDWELL	\$47,949.89	\$936.68	\$48,886.57
CRAIG ADELS	\$14,434.22	\$93.67	\$14,527.89
CRAIG KNAPPE	\$4,773.06	\$0.00	\$4,773.06
CRISTINA CAAMANO	\$3,475.41	\$0.00	\$3,475.41

Exhibit 1 to Settlement Agreement

	Class	PAGA	
	Member's Share	Employee's Share	Total Distribution
DAN DAVIDSON	\$24,677.34	\$93.67	\$24,771.00
DAN GRAFFIS	\$91,797.64	\$1,311.35	\$93,108.99
DAN ROTTER	\$788.13	\$0.00	\$788.13
DAN SUMMERS	\$81,791.79	\$3,887.22	\$85,679.02
DANIEL MOUTON	\$37,885.10	\$0.00	\$37,885.10
DANIEL PELZER	\$38,229.97	\$2,435.37	\$40,665.34
DARRELL BRANNAM	\$11,389.56	\$0.00	\$11,389.56
DARREN CARMICHAEL	\$1,473.88	\$0.00	\$1,473.88
DAVE HELMS	\$23,159.74	\$93.67	\$23,253.41
DAVID DEVILLE	\$291,420.53	\$4,636.57	\$296,057.10
DAVID HEBERT	\$6,658.68	\$0.00	\$6,658.68
DAVID ROWLEY	\$6,558.57	\$0.00	\$6,558.57
DAVID TIREBUCK	\$31,035.54	\$93.67	\$31,129.21
DEWAYNE PECKIO	\$28,134.00	\$0.00	\$28,134.00
DONNIE DREWRY	\$29,399.61	\$93.67	\$29,493.28
DONNIE MADDOX	\$18,137.42	\$0.00	\$18,137.42
DONOVIN LAST	\$74,799.48	\$889.85	\$75,689.33
DOUG WILLIAMS	\$9,996.21	\$0.00	\$9,996.21
DREW COURSEY	\$39,596.79	\$187.34	\$39,784.13
DUNE RIVERS	\$167,754.83	\$1,124.02	\$168,878.85
DUSTIN HENDRICK	\$38,261.33	\$0.00	\$38,261.33
ED DREWRY	\$15,742.50	\$93.67	\$15,836.17
EDD STARNES	\$6,816.32	\$0.00	\$6,816.32
EDWARD ZIFCHECK	\$114,543.44	\$93.67	\$114,637.11
EFRAIN NAVARRETTE	\$30,796.24	\$655.68	\$31,451.92
EMANUEL GARAY	\$1,587.07	\$0.00	\$1,587.07
ERIC HARDING	\$34,550.44	\$0.00	\$34,550.44
GARRETT SMITH	\$66,671.43	\$234.17	\$66,905.60
GARY SIMPSON	\$3,469.39	\$93.67	\$3,563.06
GERALD ECHON	\$134,529.60	\$843.01	\$135,372.61
GIDEON OLALEYE	\$4,069.03	\$0.00	\$4,069.03
GILBERTO RUIZ	\$23,954.05	\$234.17	\$24,188.22
GLEN HALLIDAY	\$30,709.02	\$93.67	\$30,802.69
GLENN JENDRUCKO	\$93,810.36	\$1,077.18	\$94,887.54
GLENN SEAVEY	\$109,684.50	\$796.18	\$110,480.68
GRANT GORDON	\$3,793.19	\$0.00	\$3,793.19
GREG COSSEL	\$59,671.50	\$0.00	\$59,671.50
GREG GRACE	\$12,070.04	\$187.34	\$12,257.37
GREG MOOREN	\$19,459.95	\$187.34	\$19,647.29
GREGORY BROWN	\$17,565.53	\$515.17	\$18,080.71
HAYDEN PRESCOTT	\$27,936.20	\$0.00	\$27,936.20
IBRAHIM HANAFY	\$15,193.24	\$468.34	\$15,661.58
IVAN FENG	\$181,636.15	\$3,512.55	\$185,148.71
JACK ARSENAULT	\$7,867.87	\$93.67	\$7,961.54
JACOB ANDERSON	\$31,959.28	\$187.34	\$32,146.62
JAMAL MANUEL	\$17,274.81	\$0.00	\$17,274.81

Exhibit 1 to Settlement Agreement

	Class	PAGA	Total Distribution
	Member's Share	Employee's Share	
JAMES BARR	\$4,488.99	\$0.00	\$4,488.99
JAMES CUSICK	\$295,853.65	\$3,606.22	\$299,459.87
JAMES HENSON	\$21,035.92	\$140.50	\$21,176.42
JAMES LAFFERTY	\$38,959.51	\$0.00	\$38,959.51
JAMES REEL	\$26,158.49	\$0.00	\$26,158.49
JAMIE MARQUEZ	\$261,796.27	\$4,121.39	\$265,917.67
JANINE MURCH	\$30,119.29	\$140.50	\$30,259.79
JARED DEEVERS	\$23,007.91	\$0.00	\$23,007.91
JASON BERTOCH	\$3,860.90	\$46.83	\$3,907.73
JASON BURT	\$25,292.80	\$0.00	\$25,292.80
JASON MOORE	\$94,599.14	\$4,308.73	\$98,907.87
JASON RIVERS	\$4,769.89	\$0.00	\$4,769.89
JASON STEWART	\$4,370.05	\$0.00	\$4,370.05
JAY RAUSCHKOLB	\$125,411.06	\$3,184.71	\$128,595.78
JEAN PAUL PITRE	\$9,676.98	\$187.34	\$9,864.31
JEFF CLARK	\$8,219.02	\$0.00	\$8,219.02
JEFF FANELLI	\$72,474.09	\$796.18	\$73,270.27
JEFF PRICE	\$43,671.65	\$327.84	\$43,999.49
JEFF WILSON	\$269,777.51	\$4,917.57	\$274,695.08
JENNIFER ESTEP	\$7,475.16	\$0.00	\$7,475.16
JENNIFER RANES	\$107,044.41	\$0.00	\$107,044.41
JERRELL KIESS	\$7,075.85	\$140.50	\$7,216.35
JESSE NEW	\$4,570.42	\$0.00	\$4,570.42
JESSE PRICE	\$26,062.08	\$140.50	\$26,202.58
JIM BEGLEY	\$14,306.82	\$0.00	\$14,306.82
JIMMY COOK	\$31,114.65	\$468.34	\$31,582.99
JOE BUNCE	\$23,016.56	\$655.68	\$23,672.23
JOE O'BRIEN	\$35,228.99	\$0.00	\$35,228.99
JOEL ELIZONDO	\$74,603.39	\$93.67	\$74,697.06
JOEL HEMBREE	\$316,510.20	\$5,479.58	\$321,989.78
JOHN ARSENAULT	\$53,423.71	\$562.01	\$53,985.72
JOHN HAGELSTEIN	\$333,513.95	\$4,870.74	\$338,384.69
JOHN JANNING	\$1,044.55	\$0.00	\$1,044.55
JOHN LITTLE	\$117,501.70	\$0.00	\$117,501.70
JOHN MIHALIC	\$3,877.17	\$0.00	\$3,877.17
JOHN SERFUSTINI	\$7,120.21	\$140.50	\$7,260.71
JOHN TIMMONS	\$3,650.42	\$0.00	\$3,650.42
JON HOOPER	\$3,529.10	\$0.00	\$3,529.10
JORGE FUENTES	\$7,625.24	\$0.00	\$7,625.24
JORGE MARTINEZ	\$61,588.20	\$374.67	\$61,962.87
JOSE FRAGACHAN	\$5,985.97	\$0.00	\$5,985.97
JOSEPH PULITI	\$228,365.97	\$2,435.37	\$230,801.34
JOSHUA DAVIS	\$26,942.87	\$0.00	\$26,942.87
JUNHO YOO	\$6,671.01	\$0.00	\$6,671.01
JUSTIN EDWARDS	\$138,826.18	\$0.00	\$138,826.18
JUSTIN HARMON	\$38,320.54	\$0.00	\$38,320.54

Exhibit 1 to Settlement Agreement

	Class	PAGA	Total Distribution
	Member's Share	Employee's Share	
JUSTIN HERNANDEZ	\$16,829.68	\$0.00	\$16,829.68
KEITH ELLISON	\$24,731.22	\$0.00	\$24,731.22
KEITH GUNN	\$4,879.86	\$0.00	\$4,879.86
KEN BEAS	\$14,879.15	\$1,030.35	\$15,909.50
KENNY HUGHEY	\$13,956.75	\$0.00	\$13,956.75
KEVIN HELMS	\$4,907.58	\$93.67	\$5,001.25
KURTIS CLEVAND	\$3,798.18	\$0.00	\$3,798.18
LARRY MARTY	\$22,096.84	\$936.68	\$23,033.52
LARRY STINER	\$51,322.75	\$93.67	\$51,416.42
LINDSEY MOORE	\$33,380.80	\$0.00	\$33,380.80
LUKE FITZWATER	\$98,622.30	\$2,060.70	\$100,683.00
LUKE POWERS	\$2,295.11	\$46.83	\$2,341.95
MADISON SMITH	\$20,724.98	\$515.17	\$21,240.15
MARK KENNEDY	\$9,503.90	\$0.00	\$9,503.90
MARK STRUBLE	\$4,787.59	\$0.00	\$4,787.59
MARTIN GOERKE	\$624.73	\$0.00	\$624.73
MATT BURKLEO	\$9,534.36	\$0.00	\$9,534.36
MATT MONROE	\$3,073.73	\$0.00	\$3,073.73
MATTHEW CHANNELL	\$3,243.42	\$0.00	\$3,243.42
MATTHEW DICKERSON	\$16,907.46	\$0.00	\$16,907.46
MATTHEW MORGAN	\$55,191.99	\$3,044.21	\$58,236.20
MAX HOLLAND	\$50,790.96	\$562.01	\$51,352.97
MEGAN DAHLSTROM	\$3,642.43	\$46.83	\$3,689.27
MEGAN HAMILTON	\$110,305.84	\$1,217.68	\$111,523.52
MEGAN SMITH	\$11,401.21	\$140.50	\$11,541.71
MICHAEL BEAUMONT	\$208.10	\$0.00	\$208.10
MICHAEL COLVIN	\$2,247.67	\$0.00	\$2,247.67
MICHAEL CROOK	\$1,607.57	\$0.00	\$1,607.57
MICHAEL HOOD	\$54,229.58	\$0.00	\$54,229.58
MICHAEL JONES	\$25,358.37	\$93.67	\$25,452.03
MICHAEL MOORE	\$8,161.47	\$46.83	\$8,208.30
MICHAEL WOJCIECHOWICZ	\$10,285.93	\$0.00	\$10,285.93
MIGUEL NEGRETE	\$24,323.44	\$0.00	\$24,323.44
MIKE CANDITO	\$4,654.30	\$0.00	\$4,654.30
MIKE DELAND	\$27,698.63	\$0.00	\$27,698.63
MIKE KING	\$339.62	\$0.00	\$339.62
MIKE NOLAND	\$62,012.83	\$796.18	\$62,809.01
MIKE TOMPKINS	\$81,608.52	\$93.67	\$81,702.19
MIKE WHITEHILL	\$22,489.03	\$0.00	\$22,489.03
MILES PINTER	\$1,260.69	\$0.00	\$1,260.69
MITCH SIMMONS	\$12,269.21	\$0.00	\$12,269.21
MOHAMMED AL-DUAIS	\$5,897.33	\$234.17	\$6,131.50
NATHAN GHOLZ	\$65,154.86	\$1,405.02	\$66,559.88
NATHAN RODRIGUEZ	\$31,965.44	\$0.00	\$31,965.44
NEIL ARCHULETA	\$21,876.92	\$0.00	\$21,876.92
NICK STEVENSON	\$6,839.19	\$0.00	\$6,839.19

Exhibit 1 to Settlement Agreement

	Class	PAGA	
	Member's Share	Employee's Share	Total Distribution
OCTAVIO SOWERWINE	\$16,137.10	\$93.67	\$16,230.77
OLADIRAN OLALEYE	\$419.82	\$0.00	\$419.82
PATRICK RUCKER	\$21,243.86	\$468.34	\$21,712.20
PAUL MAYO	\$224,013.90	\$3,512.55	\$227,526.46
PAUL SMITH	\$22,477.94	\$0.00	\$22,477.94
PHILLIP CHOW	\$3,622.75	\$0.00	\$3,622.75
PHILLIP GUTIERREZ	\$60,169.94	\$2,763.21	\$62,933.15
RAFEEL SAMAAN	\$27,330.81	\$46.83	\$27,377.64
RANDY BYRNE	\$67,970.87	\$0.00	\$67,970.87
RAY POOLE	\$6,791.89	\$0.00	\$6,791.89
REGGIE AGUSTINO	\$17,252.14	\$0.00	\$17,252.14
RICHARD BOHNER	\$2,049.05	\$0.00	\$2,049.05
RICHARD SMITH	\$30,083.86	\$0.00	\$30,083.86
RICHARD TOOMES	\$95,610.43	\$0.00	\$95,610.43
RICK CHEEK	\$4,657.36	\$0.00	\$4,657.36
RICKEY BIRD	\$57,789.92	\$1,405.02	\$59,194.94
RICKY BOBBY	\$3,104.40	\$46.83	\$3,151.23
RICKY HERREN	\$4,807.25	\$0.00	\$4,807.25
ROB MCNABB	\$40,496.49	\$1,779.69	\$42,276.18
ROBERT ATKINS	\$316,257.57	\$3,465.72	\$319,723.28
ROBERT BLANTON	\$7,502.91	\$0.00	\$7,502.91
ROBERT FITZGERALD	\$122,814.41	\$93.67	\$122,908.08
ROBERT HINOJO	\$15,709.32	\$0.00	\$15,709.32
ROCKY AUBIN	\$27,420.78	\$0.00	\$27,420.78
ROD MUNRO	\$8,036.02	\$0.00	\$8,036.02
ROHAN KHANDELWAL	\$16,720.77	\$187.34	\$16,908.11
RON CARTER	\$4,062.01	\$234.17	\$4,296.18
RON HOUCK	\$16,320.05	\$1,405.02	\$17,725.07
RUSTY DAVIS	\$3,331.46	\$0.00	\$3,331.46
RYAN AULT	\$5,066.58	\$0.00	\$5,066.58
RYAN BEESLEY	\$1,279.52	\$0.00	\$1,279.52
RYAN BERGERMAN	\$7,566.41	\$140.50	\$7,706.91
RYAN DEVUYST	\$19,805.06	\$749.34	\$20,554.40
RYAN GILSON	\$12,782.58	\$46.83	\$12,829.42
SABRI RIZKALLA	\$145,393.50	\$93.67	\$145,487.17
SALIM SALIM	\$882.27	\$0.00	\$882.27
SALIMA KAIRZHANOVA	\$23,600.36	\$608.84	\$24,209.20
SAMUEL ACKERMAN	\$6,252.16	\$0.00	\$6,252.16
SAMUEL MCGLAUGHLIN	\$34,849.93	\$0.00	\$34,849.93
SAUL GUERRA	\$59,020.35	\$702.51	\$59,722.86
SCOTT CARNEY	\$151,589.34	\$0.00	\$151,589.34
SEAN GALLAGHER	\$11,674.77	\$702.51	\$12,377.28
SEAN RAFFERTY	\$21,056.56	\$1,124.02	\$22,180.58
SETH CROY	\$20,576.65	\$655.68	\$21,232.33
SHAWN BEST	\$29,744.00	\$0.00	\$29,744.00
SHAWN BURTON	\$19,364.36	\$936.68	\$20,301.04

Exhibit 1 to Settlement Agreement

	Class	PAGA	
	Member's Share	Employee's Share	Total Distribution
SIDNEY JOHNSON	\$49,107.08	\$702.51	\$49,809.59
SLATE HEBERT	\$22,027.94	\$0.00	\$22,027.94
SNUFFY SPRAGUE	\$21,312.47	\$0.00	\$21,312.47
STEVE VAN WORTH	\$2,302.40	\$0.00	\$2,302.40
STEVEN BOURELLE	\$78,029.46	\$1,170.85	\$79,200.31
STEVEN SHAMBLIN	\$336,769.25	\$4,496.07	\$341,265.32
STEVEN SHAMBLIN SR	\$197,221.56	\$1,779.69	\$199,001.25
TED WARNICK	\$31,740.11	\$0.00	\$31,740.11
TERRY HOYT	\$31,817.15	\$93.67	\$31,910.82
TIM ENDACOTT	\$25,283.02	\$0.00	\$25,283.02
TIM LEGER	\$46,579.11	\$93.67	\$46,672.78
TIMOTHY FITZGERALD	\$8,507.58	\$608.84	\$9,116.42
TIMOTHY TAYLOR	\$8,641.45	\$93.67	\$8,735.11
TIMOTHY WARNICK	\$93,044.79	\$234.17	\$93,278.96
TODD BILLINGSLEY	\$210.70	\$0.00	\$210.70
TOM GOODE	\$8,556.30	\$0.00	\$8,556.30
TOM RAMIREZ	\$7,099.65	\$93.67	\$7,193.31
TOMMY ROBINS	\$49,066.92	\$3,044.21	\$52,111.13
TRACY LANGLEY	\$3,976.68	\$46.83	\$4,023.51
TRAVIS PLEASANT	\$11,743.42	\$234.17	\$11,977.59
TREVOR COCKERHAM	\$45,819.33	\$0.00	\$45,819.33
TYLER MCANDREW	\$1,045.23	\$0.00	\$1,045.23
TYLER TRUSSELL	\$23,167.54	\$749.34	\$23,916.89
VICTOR MUNOZ	\$60,984.67	\$93.67	\$61,078.34
VINCENT MASSANELLI	\$33,702.79	\$702.51	\$34,405.30
WAEAL AL GHANNAM	\$11,090.05	\$374.67	\$11,464.73
WAI MOE	\$20,289.72	\$0.00	\$20,289.72
WARREN WISE	\$3,656.13	\$0.00	\$3,656.13
WILL BARRETT	\$1,050.67	\$0.00	\$1,050.67
WILLIAM KNAPP	\$104,375.85	\$608.84	\$104,984.70
WILLIAM MILLER	\$3,789.79	\$0.00	\$3,789.79
WYKK DOMBROWIK	\$63,747.40	\$0.00	\$63,747.40
ZACKARY RUSSELLI	\$384,421.79	\$1,639.19	\$386,060.98
	\$10,777,386.77	\$123,126.64	\$10,900,513.41

M-I/Last Only Class

ANDREW CLARK	\$34,531.36	\$0.00	\$34,531.36
BRAD BUSH	\$126,474.49	\$0.00	\$126,474.49
CHASE CHRISTENSEN	\$254.83	\$0.00	\$254.83
CHRIS LARIMORE	\$50.80	\$0.00	\$50.80
CLINT LEAGUE	\$1,661.67	\$0.00	\$1,661.67
COLTON TIDWELL	\$9,035.82	\$0.00	\$9,035.82
DANI ZINK	\$875.68	\$0.00	\$875.68
DEVIN LACKEY	\$638.96	\$0.00	\$638.96
GREGORY BROWN	\$38,535.62	\$562.01	\$39,097.63

Exhibit 1 to Settlement Agreement

	Class	PAGA	Total Distribution
	Member's Share	Employee's Share	
GREGORY SNELLA	\$55,275.25	\$0.00	\$55,275.25
JACK ARSENAULT	\$243.95	\$0.00	\$243.95
JAMES SMITH	\$1,049.36	\$0.00	\$1,049.36
JIMMY COOK	\$2,158.51	\$0.00	\$2,158.51
JIMMY MOORE	\$14,887.69	\$1,030.35	\$15,918.04
JOEL ELIZONDO	\$9,582.33	\$0.00	\$9,582.33
KAREY LOUVIERE	\$445.15	\$0.00	\$445.15
MADISON SMITH	\$7,147.93	\$0.00	\$7,147.93
MEGAN SMITH	\$13,780.99	\$0.00	\$13,780.99
MICHAEL KAVELER	\$4,596.16	\$0.00	\$4,596.16
MICHELLE UNDERWOOD	\$703.54	\$0.00	\$703.54
NATHAN GHOLZ	\$3,640.50	\$0.00	\$3,640.50
PATRICK RUCKER	\$7,358.25	\$0.00	\$7,358.25
ROBERT ATKINS	\$7,584.54	\$0.00	\$7,584.54
ROBERT BLANTON	\$85.75	\$0.00	\$85.75
ROMAN PATTERSON	\$1,213.82	\$0.00	\$1,213.82
SALIMA KAIRZHANOVA	\$11,626.02	\$234.17	\$11,860.19
SEAN GALLAGHER	\$21,985.53	\$0.00	\$21,985.53
SETH CROY	\$6,186.80	\$0.00	\$6,186.80
STANLEY WALLACE	\$1,505.22	\$0.00	\$1,505.22
STEVEN SHAMBLIN SR	\$23,473.01	\$0.00	\$23,473.01
TIMOTHY TAYLOR	\$37,909.84	\$0.00	\$37,909.84
TOBIN COATS	\$1,345.58	\$0.00	\$1,345.58
TYLER TRUSSELL	\$1,761.15	\$46.83	\$1,807.99
WILLIAM HOSKIN	\$4,296.13	\$0.00	\$4,296.13
	\$451,902.23	\$1,873.36	\$453,775.59

Exhibit 2

1 LONNIE C. BLANCHARD III (SBN 93530)
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Pasadena, California 91105
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4 LARS KINDEM (SBN 312835)
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PETER R. DION-KINDEM, P. C.
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Telephone: (818) 883-4900
7 Email: peter@dionkindemlaw.com

8 Attorneys for Plaintiff Donovan Last

9 [Additional counsel on next page]

10
11 UNITED STATES DISTRICT COURT
12 EASTERN DISTRICT OF CALIFORNIA

13
14 Donovan Last, an individual, on behalf of
himself and all others similarly situated,

15 Plaintiff,

16 vs.

17 M-I, LLC and DOES 1 through 10,

18 Defendants.
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**Case No. 1:20-cv-01205-KES-EPG
CLASS ACTION**

Joint Stipulation for Dismissal of Action

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3 A Professional Law Corporation
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5 Baton Rouge, LA 70809
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7 Fax: (225) 906-4230
8 hdh@kullmanlaw.com

9 ROBERT P. LOMBARDI, *pro hac vice*
10 MARYJO L. ROBERTS, *pro hac vice*
11 The Kullman Firm
12 1100 Poydras Street, Suite 1600
13 New Orleans, LA 70163
14 Telephone: (504) 524-4162
15 Facsimile: (504) 596-4189
16 E-mail: rpl@kullmanlaw.com
17 E-mail: mlr@kullmanlaw.com

18 Attorneys for Defendant M-I, LLC
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1 Plaintiff Donovan Last (“Last” or “Plaintiff”) and Defendant M-I, LLC (“M-I”) (collectively
2 “the Parties”), by and through their respective counsel, hereby stipulate and agree as follows:

3 WHEREAS, this case has been stayed pending arbitration pursuant to the Court’s February 12,
4 2024, Order (Doc. 90.)

5 WHEREAS, the parties to this action have settled all claims in the related state court action
6 *Carney et al. v. California Resources Corporation, et al*, Case No. BCV-15-101729 (Kern County
7 Superior Court) (hereinafter “the *Carney* Action”);

8 WHEREAS, the plaintiffs in the *Carney* Action, who include Last, filed a third amended
9 complaint encompassing the claims herein, and as such, the claims raised in this case have been released
10 as part of the settlement of the *Carney* Action;

11 WHEREAS, the Court in *Carney* has entered judgment on _____;

12 WHEREAS, despite having been filed as a putative class action, no class has been certified in
13 this action (Last’s motion to certify having been denied as moot) and Plaintiff’s individual claims have
14 been compelled to arbitration. (*Allred v. Chicago Title Co.*, No. 19CV2129-LAB (AHG), 2020 WL
15 5847550, at *1 (S.D. Cal. Oct. 1, 2020) (“Although the motion seeks dismissal of all claims with
16 prejudice, the Court construes this as a request to dismiss Plaintiffs’ own claims with prejudice, and
17 putative class claims without prejudice.”) (citing Fed. R. Civ. P. 23(e)).)

18 THEREFORE, subject to the terms and conditions of the settlement and Judgement in the
19 *Carney* action, and pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), Plaintiff Donovan Last
20 and Defendant M-I, LLC hereby stipulate to lift the stay in this action, dismiss the individual claims of
21 Plaintiff Donovan Last with prejudice, and dismiss the class claims in this action without prejudice.
22 Also, subject to the terms of the settlement and the Judgment in the *Carney* Action, the Parties agree
23 that there shall be no attorney’s fees and costs awarded in this action.
24
25
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28

1 Dated: April 8, 2025

THE BLANCHARD LAW GROUP, APC

2
3 BY: /s

4 LONNIE C. BLANCHARD III

Attorney for Plaintiff Donovan Last

5
6 Dated: April 8, 2025

The Kullman Firm, PLC

7
8 BY: /s

9 HEATHER HEARNE

Attorney for M-I, L.L.C.

ORDER

Having read the Parties' Stipulation and good cause appearing, the Court Orders that the Stay is lifted, the individual claims of Plaintiff Donovan Last are hereby dismissed with prejudice, and the class claims are hereby dismissed without prejudice pursuant to the terms and conditions of the *Carney* settlement and Judgment. Additionally, there is no award of attorney's fees and costs in this action pursuant to the parties' agreement.

DATED: _____
Honorable Kirk E. Sherriff

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BY: /s/ Kale Morita
KALE MORITA

Exhibit 3

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12 Email: peter@dionkindemlaw.com

13 Attorneys for Plaintiffs

14 *Additional counsel on following page*

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

15 Scott Carney, Romein Martinez, Donovan Last,
16 and Michael Kaveler,

17 Plaintiffs,

18 vs.

19 California Resources Corporation, Geo Drilling
20 Fluids, Inc., M-I, LLC, and Does 1 through 10,
21 Defendants.

22 And related cross-actions.

Case No. BCV-15-101729
CLASS ACTION

Third Amended Complaint

Third Amended Complaint

1 Jeff Holmes (SBN 100891)
2 Holmes Law Group
3 2801 Ocean Park Blvd., #1035
4 Santa Monica, CA 90405
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6 Email: jeffholmesjh@gmail.com

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28 Attorney for Plaintiffs

Third Amended Complaint

1 Plaintiffs Scott Carney, Romein Martinez, Donovan Last, and Michael Kaveler (“Plaintiffs”)
2 allege:

- 3 1. Defendant California Resources Corporation (“CRC”) is a business that was the primary operator
4 of wells in California.
- 5 2. Defendant Geo Drilling Fluids, Inc. (“Geo”) is a business operating in California that supplied
6 mud men to CRC and other customers.
- 7 3. Defendant M-I, LLC (“M-I”) is a business formerly operating in California that supplied mud men
8 to CRC and other customers.
- 9 4. CRC, Geo, and M-I shall herein be referred to together as “Defendants”
- 10 5. Geo, M-I, and CRC acted as employers, co-employers, and/or joint employers of Plaintiffs and
11 other class members.
- 12 6. Defendant Geo classified Plaintiff Carney and other CRC Class members as exempt employees
13 rather than non-exempt employees.
- 14 7. M-I classified Plaintiffs Martinez, Last, and Kaveler and other CRC and Last Class members as
15 exempt employees or independent contractors rather than non-exempt employees.
- 16 8. Defendant CRC treated Plaintiffs Carney, Last, and CRC Class members as independent
17 contractors rather than non-exempt employees.

18 **CLASS ACTION ALLEGATIONS**

- 19 9. Plaintiffs Carney and Last bring the first eight causes of action for themselves and on behalf of the
20 following class:

21 **CRC Class**

22 All persons who, at any time from December 29, 2011 to November 27, 2021 worked at
23 any of the drill sites operated by California Resources Corporation, including the California
24 operations of California Resources Production Corporation (formerly known as Vintage
25 Production California LLC), California Resources Petroleum, LLC (formerly known as
26 Vintage Petroleum LLC), OXY USA, Inc. and Occidental Petroleum Corporation) and all
27 other former California operations of Occidental Petroleum Corporation and its affiliates
28 (collectively “CRC”) in California in job positions titled Drilling Fluid Specialist (mud
man, Levels I-IV and mud man Senior), mud engineer, mud man Trainee, mud man
consultant, and/or equivalent job titles who were employed by CRC or who were provided
by GEO Drilling Fluids, Inc. or M-I, LLC to CRC to provide drilling fluids related services

Third Amended Complaint

and who have not released CRC from the claims in this action for all periods during the Class Period and who are listed in Exhibit 1 under the table titled “CRC Class,” which is attached to the Settlement Agreement entered in this matter.

10. Plaintiff Kaveler brings the first eight causes of action for himself and on behalf of the following class:

Last Class

All persons who, at any time from May 20, 2016 to July 4, 2021 worked in California in job positions titled Drilling Fluid Specialist (Levels I-IV and mud man Senior), mud engineer, mud man, mud man Trainee, mud man consultant, and/or equivalent job titles who were employed by M-I or who were provided by M-I to any of M-I’s customers to provide drilling fluids related services who are not CRC class members and who have not released M-I from the claims in the *Last* action for all periods during the Last Class Period and who are listed in Exhibit 1 under the table titled “Last Only Class,” which is attached to the Settlement Agreement entered in this matter.

11. During the CRC Class Period, Plaintiffs Carney, Last, and CRC Class members were employed by and/or performed work for or on behalf of Defendants in California. During the Last Class Period, Plaintiff Kaveler and Last Class members were employed by and/or performed work for or on behalf of M-I in California.

12. Numerosity.

- a. CRC Class: The number of class members in the CRC Class is so numerous that joinder of all members is impractical. The names and addresses of the class members are identifiable through documents maintained by the Defendants, and the class members may be notified of the pendency of this action by published and/or mailed notice.
- b. Last Class: The number of class members in the Last Class is so numerous that joinder of all members is impractical. The names and addresses of the class members are identifiable through documents maintained by M-I or its suppliers, and the class members may be notified of the pendency of this action by published and/or mailed notice.

13. Existence and Predominance of Common Questions of Law and Fact.

- a. CRC Class: Common questions of law and fact exist as to all members of the CRC Class and they predominate over the questions affecting only individual members. These common legal and factual questions collectively include, among other things:

Third Amended Complaint

- i. Whether CRC was a joint employer of Plaintiffs Carney, Last, and other CRC Class members.
 - ii. Whether Plaintiffs Carney and Last and other CRC Class members were misclassified as independent contractors.
 - iii. Whether Plaintiffs Carney and Last and other CRC Class members were misclassified as exempt.
 - iv. Whether Plaintiffs Carney and Last and other CRC Class members were paid for all hours worked at the proper rates.
 - v. Whether Plaintiffs Carney and Last and other CRC Class members were provided all legally required meal periods.
 - vi. Whether Plaintiffs Carney and Last and other CRC Class members were provided properly calculated meal period premiums.
 - vii. Whether Plaintiffs Carney and Last and other CRC Class members were provided all legally required rest periods.
 - viii. Whether Plaintiffs Carney and Last and other CRC Class members were provided properly calculated rest period premiums.
 - ix. Whether CRC's and Geo's conduct was willful or reckless.
 - x. Whether CRC and Geo violated Labor Code section 226.
 - xi. Whether CRC and Geo willfully failed to timely pay all wages due to Plaintiffs Carney, Last, and other CRC Class members upon the termination of their employment.
 - xii. Whether CRC and Geo engaged in unfair competition in violation of California Business & Professions Code section 17200, *et seq.*
- b. Last Class: Common questions of law and fact exist as to all members of the Last Class and they predominate over the questions affecting only individual members. These common legal and factual questions collectively include, among other things:

- i. Whether M-I misclassified Plaintiff Kaveler and other Last Class members as independent contractors.
- ii. Whether M-I misclassified Plaintiff Kaveler and other Last Class members as exempt.
- iii. Whether M-I paid Plaintiff Kaveler and other Last Class members for all hours worked at the proper rates.
- iv. Whether M-I failed to provide Plaintiff Kaveler and other Last Class members the legally required meal periods.
- v. Whether M-I owes Plaintiff Kaveler and other Last Class members properly calculated meal period premiums.
- vi. Whether M-I failed to provide Plaintiff Kaveler and other Last Class members the legally required rest periods.
- vii. Whether M-I owes Plaintiff Kaveler and other Last Class members properly calculated rest period premiums.
- viii. Whether M-I's conduct was willful or reckless.
- ix. Whether M-I's violated Labor Code section 226.
- x. Whether M-I willfully failed to timely pay all wages due to Plaintiff Kaveler and other Last Class members upon the termination of their employment.
- xi. Whether M-I engaged in unfair competition in violation of California Business & Professions Code section 17200, *et seq.*

14. **Typicality.**

- a. CRC Class: Plaintiffs Carney and Last's claims are typical of the claims of the CRC Class, and Plaintiffs Carney and Last and all CRC Class members sustained injuries and damages arising out of CRC and Geo's common course of conduct in violation of the law as alleged herein. Plaintiffs are entitled to the same relief under the class action causes of action as other class members.

- 1 b. Last Class: Plaintiff Kaveler's class claims are typical of the claims of the Last Class, and
2 Plaintiff Kaveler and all Last Class members sustained injuries and damages arising out of
3 M-I's common course of conduct in violation of the law as alleged herein. Plaintiff Kaveler
4 is entitled to the same relief under the class action causes of action as other class members.

5 **15. Adequacy.**

- 6 a. CRC Class: Plaintiffs Carney and Last will adequately and fairly protect the interests of
7 the CRC Class and each is an adequate representative for the class because each has no
8 interests adverse to the interests of the other class members.
9 b. Last Class: Plaintiff Kaveler will adequately and fairly protect the interest of the Last Class
10 members and is an adequate representative for the class because Plaintiff Kaveler has no
11 interests adverse to the interests of the other class members.

12 Plaintiffs Carney, Last, and Kaveler have retained legal counsel with substantial experience in civil
13 litigation, employment law, and class action litigation and Plaintiffs and Plaintiffs' counsel will
14 fairly and adequately protect the interests of members of the classes.

- 15 **16. Superiority.** A class action is superior to other available means of fair and efficient adjudication
16 of the claims of the class members because joining all class members is impractical. Class action
17 treatment will allow many similarly situated persons to prosecute their common claims in a single
18 forum, simultaneously, efficiently, and without the unnecessary duplication of effort and expense
19 that numerous individual actions would cause to such Plaintiffs or to the court system. Questions
20 of law and fact common to the class members predominate over questions affecting only individual
21 members, and a class action is superior to other available methods for fair and efficient
22 adjudication of the controversy. Individual litigation would present the potential for inconsistent
23 or contradictory judgments. By contrast, the class action device will result in substantial benefits
24 to the litigants and the Court by allowing the Court to resolve numerous individual claims based
25 upon a single set of proof in a case.
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Cause of Action No. 1
(By Plaintiffs Carney and Last against Defendants CRC and Geo, and by Plaintiffs Kaveler and Martinez against Defendant M-I)

17. Plaintiffs reallege all the preceding paragraphs.

Failure to Pay at Least Minimum Wage for Each Hour Worked

18. Defendants CRC and Geo failed to pay Plaintiffs Carney, Last, and CRC Class members the applicable minimum wage for all hours worked, for overtime hours, for missed meal period wages, missed rest period wages, and for other compensation due them under California law.

19. Defendant M-I failed to pay Plaintiffs Kaveler, Martinez, and other Last Class members the applicable minimum wage for all hours worked, for overtime hours, for missed meal period wages, missed rest period wages, and for other compensation due them under California law.

20. Plaintiffs and the class members are entitled to liquidated damages pursuant to Labor Code section 1194.2, interest, and reasonable attorneys' fees and costs.

Failure to provide One Day's Rest in Seven

21. California Labor Code section 551 provides: "Every person employed in any occupation of labor is entitled to one day's rest in seven."

22. Defendants CRC and Geo violated section 551 by failing to provide Plaintiffs Carney, Last, and CRC Class members one day's rest in seven.

23. Defendant M-I violated section 551 by failing to provide Plaintiffs Kaveler, Martinez, and other Last Class members one day's rest in seven.

Defendants caused class members to work more than six days in seven

24. California Labor Code section 552 provides: "No employer of labor shall cause his employees to work more than six days in seven."

25. Once employed at a drilling site, Plaintiffs and CRC and Last Class members were on duty for a minimum of 12 hours per day and 14 days in a row.

26. Defendants CRC and Geo violated section 552 by causing Plaintiffs Carney, Last, and CRC Class members to work more than six days in seven.

Third Amended Complaint

27. Defendant M-I violated section 552 by causing Plaintiffs Kaveler, Martinez, and Last Class members to work more than six days in seven.

Failure to pay Overtime Wages

28. Plaintiffs and CRC and Last Class members worked more than eight hours in a day and/or more than 40 hours in a week and/or seven or more consecutive days.

29. Defendants CRC and Geo failed to correctly compensate Plaintiffs Carney, Last, and CRC Class members for all overtime worked at the correct rates in violation of California Labor Code section 510 and Paragraph 3 of the applicable Wage Order.

30. Defendant M-I failed to correctly compensate Plaintiffs Kaveler, Martinez, and Last Class members for all overtime worked at the correct rates in violation of California Labor Code section 510 and Paragraph 3 of the applicable Wage Order.

31. Plaintiffs have incurred and are entitled to attorneys' fees and costs for pursuing this claim.

Cause of Action No. 2

(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and Martinez against Defendant M-I)

**Failure to Pay Compensation Due Pursuant to
Labor Code section 226.7 for Meal Period Wages**

32. Plaintiffs reallege all the preceding paragraphs.

33. Defendants CRC and Geo failed to provide Plaintiffs Carney, Last, and other CRC Class members with legally required timely, duty-free meal periods for numerous days worked, failed to relieve them of all duties, relinquish control over their activities and permit them a reasonable opportunity to take duty free, uninterrupted 30-minute meal periods, and did not pay them for one additional hour of pay at their regular rate of pay for each day that all legally required meal periods were not provided.

34. Defendant M-I failed to provide Plaintiffs Kaveler, Martinez, and other Last Class members with legally required timely, duty-free meal periods for numerous days worked, failed to relieve them of all duties, relinquish control over their activities and permit them a reasonable opportunity to take duty free, uninterrupted 30-minute meal periods, and did not pay them for one additional hour

1 of pay at their regular rate of pay for each day that all legally required meal periods were not
2 provided.

3 **Cause of Action No. 3**
4 **(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and**
5 **Martinez against Defendant M-I)**
6 **Failure to Pay Compensation Due Pursuant to**
7 **Labor Code section 226.7 for Rest Period Wages**

8 35. Plaintiffs reallege all the preceding paragraphs.

9 36. Defendants CRC and Geo did not provide Plaintiffs Carney, Last, and other CRC Class members
10 with all timely, duty-free rest periods to which they were entitled and generally scheduled their
11 daily workloads without consideration for rest periods and as a result they were often unable to
12 take rest breaks due to their excessive workload. Defendants CRC and Geo were aware of such
13 fact and Defendants CRC and Geo did not pay them for one additional hour of pay at their regular
14 rate of pay for each workday that all legally required rest periods were not provided.

15 37. Defendant M-I did not provide Plaintiffs Kaveler, Martinez, and other Last Class members with
16 all timely, duty-free rest periods to which they were entitled and generally scheduled their daily
17 workloads without consideration for rest periods and as a result they were often unable to take rest
18 breaks due to their excessive workload. Defendant M-I was aware of such fact and Defendant M-
19 I did not pay them for one additional hour of pay at their regular rate of pay for each workday that
20 all legally required rest periods were not provided.

21 **Cause of Action No. 4**
22 **(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and**
23 **Martinez against Defendant M-I)**
24 **Wage Statement and Record-Keeping Violations**

25 38. Plaintiffs reallege all the preceding paragraphs.

26 39. Defendants CRC and Geo knowingly and intentionally failed to maintain and furnish Plaintiffs
27 Carney, Last, and other CRC Class members with accurate and complete wage statements
28 regarding the identity and address of their employer, their regular rates of pay, rates of overtime
pay, total gross wages earned, meal period premiums, rest period premiums, and total net wages

1 earned, *inter alia*, in violation of Labor Code section 226 and/or section 1174, and they are entitled
2 to damages and/or penalties pursuant to Labor Code section 226.

- 3 40. Defendant M-I knowingly and intentionally failed to maintain and furnish Plaintiffs Kaveler,
4 Martinez, and other Last Class members with accurate and complete wage statements regarding
5 their regular rates of pay, rates of overtime pay, total gross wages earned, meal period premiums,
6 rest period premiums, and total net wages earned, *inter alia*, in violation of Labor Code section
7 226 and/or section 1174, and they are entitled to damages and/or penalties pursuant to Labor Code
8 section 226.

9 **Cause of Action No. 5**

10 **(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and**
11 **Martinez against Defendant M-I)**

12 **Failure to Pay Waiting Time Wages Pursuant to Labor Code section 203**

- 13 41. Plaintiffs reallege all the preceding paragraphs.
- 14 42. The employment of Plaintiffs Carney, Last, and other CRC Class members with Defendants
15 terminated.
- 16 43. When the employment of Plaintiffs Carney, Last, and other CRC Class members terminated,
17 Defendants CRC and Geo violated Labor Code sections 201 or 202 by willfully failing to pay the
18 wages earned and unpaid that were due them, including wages for overtime hours worked and
19 meal period and/or rest period wages in the time required by sections 201 or 202.
- 20 44. The employment of Plaintiffs Kaveler, Martinez, and other Last Class members with Defendant
21 M-I terminated.
- 22 45. When the employment of Plaintiffs Kaveler, Martinez, and other Last Class members terminated,
23 Defendant M-I violated Labor Code sections 201 or 202 by willfully failing to pay the wages
24 earned and unpaid that were due them, including wages for overtime hours worked and meal period
25 and/or rest period wages in the time required by sections 201 or 202.
- 26 46. Plaintiffs have incurred attorneys' fees and costs in pursuing this claim.

Cause of Action No. 6
(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and
Martinez against Defendant M-I)
Failure to Timely Pay Wages During Employment

47. Plaintiffs reallege all the preceding paragraphs.

48. At all relevant times, Plaintiffs Carney, Last, and other CRC Class members were employees (including joint employees) or former employees of Defendants and covered by Labor Code section 204 and applicable Wage Orders.

49. At all relevant times, Plaintiffs Kaveler, Martinez, and other Last Class members were employees (including joint employees) or former employees of Defendant M-I and covered by Labor Code section 204 and applicable Wage Orders.

50. Labor Code section 204 provides that “[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month.”

51. Labor Code section 210, subdivision (a) states that “[i]n addition to, and entirely independent and apart from, any other penalty provided int his article, every person who fails to pay the wages of each employee as provided in sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, and 1197.5, shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee” and (2) For each subsequent violation or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amounts unlawfully withheld.”

52. In the one-year before the initiation of this Action through the present, Defendants CRC and Geo employed policies and practices that resulted in, at times, not paying Plaintiffs Carney, Last, and CRC Class members in accordance with Labor Code section 204, and they, therefore, seek penalties in the amount of \$100 for each initial violation and \$200 for each subsequent violation per Class Member plus 25% of the amount unlawfully withheld.

53. In the one-year before the initiation of this Action through the present, Defendant M-I employed policies and practices that resulted in, at times, not paying Plaintiffs Kaveler, Martinez, and Last

Third Amended Complaint

Class members in accordance with Labor Code section 204, and they, therefore, seek penalties in the amount of \$100 for each initial violation and \$200 for each subsequent violation per Class Member plus 25% of the amount unlawfully withheld.

54. Pursuant to Labor Code 218.6, Code of Civil Procedure section 1021.5 and 1032, and Civil Code section 3287, Plaintiffs and class members are entitled to recovery of penalties, interest, and their costs of suit, as well.

Cause of Action No. 7
(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and Martinez against Defendant M-I)
Failure to Reimburse Business Expenses

55. Plaintiffs reallege all the preceding paragraphs.

56. At all relevant times, Plaintiffs Carney, Last, and other CRC Class members were employees (including joint employees) or former employees of Defendants and covered by Labor Code section 2802 and applicable Wage Orders. Labor Code section 2802, subdivision (a) provides that “an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties . . .”

57. At all relevant times, Plaintiffs Kaveler, Martinez, and other Last Class members were employees (including joint employees) or former employees of Defendant M-I and covered by Labor Code section 2802 and applicable Wage Orders. Labor Code section 2802, subdivision (a) provides that “an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties . . .”

58. For three (3) years prior to the filing of the Complaint in this Action through the present, Defendants CRC and Geo required Plaintiffs Carney, Last, and CRC class members, or some of them, to incur, at times, necessary expenditures or losses in direct consequence of the discharge of their duties or at the obedience to the directions of Defendants that included, without limitation: using cellular phones for work-related purposes, but Defendants failed and refused to reimburse them for those losses and/or expenditures, and as a result of Defendants’ unlawful conduct, they have suffered damages in an amount subject to proof, to the extent that they were not reimbursed for the herein-described losses and/or expenditures.

Third Amended Complaint

1 59. For three (3) years prior to the filing of the Complaint in this Action through the present, Defendant
2 M-I required Plaintiff Kaveler, Martinez, and Last Class members, or some of them, to incur, at
3 times, necessary expenditures or losses in direct consequence of the discharge of their duties or at
4 the obedience to the directions of Defendant M-I that included, without limitation: using cellular
5 phones for work-related purposes, but Defendant M-I failed and refused to reimburse them for
6 those losses and/or expenditures, and as a result of Defendant M-I's' unlawful conduct, they have
7 suffered damages in an amount subject to proof, to the extent that they were not reimbursed for
8 the herein-described losses and/or expenditures.

9 60. Pursuant to Labor Code section 2802, Code of Civil Procedure sections 1021.5 and 1032, and Civil
10 Code section 3287, Plaintiffs and class members are entitled to recover reimbursement for their
11 herein-described losses and/or expenditures, reasonable attorneys' fees and costs of suit.

12 **Cause of Action No. 8**
13 **(By Plaintiffs Carney and Last against Defendants CRC and Geo and by Plaintiffs Kaveler and**
14 **Martinez against Defendant M-I)**
15 **Violation of California Business and Professions Code section 17200, et seq.**

16 61. Plaintiffs reallege all the preceding paragraphs.

17 62. Defendants' violations of the California Labor Code and Wage Order provisions set forth above
18 constitute unlawful and unfair business acts and/or practices within the meaning of Business &
19 Professions Code section 17200

20 63. Defendants have been unjustly enriched because of Defendants' unlawful and/or unfair business
21 acts and/or practices.

22 64. Plaintiffs and the class members are entitled to restitution of money and/or property by which
23 Defendants were unjustly enriched.

24 65. Plaintiffs are entitled to an award of attorneys' fees pursuant to California Code of Civil Procedure
25 section 1021.5.

26 **Cause of Action No. 9**
27 **(By Plaintiff Carney against Defendants CRC and Geo and by Plaintiff Last against**
28 **Defendant M-I)**
Recovery of Civil Penalties under the California Private Attorneys General Act,

66. Plaintiffs Carney and Last reallege all the preceding paragraphs.

Third Amended Complaint

- 1 67. One or more of the alleged violations set forth above was committed against Plaintiff Carney by
2 CRC and Geo and against Plaintiff Last by M-I, and, as such, each Plaintiff is an “aggrieved
3 employee” under the definition contained in Labor Code section 2699(c).
4
5 68. As alleged above, Defendants CRC and Geo have committed Labor Code violations against
6 Plaintiff Carney and Defendants CRC and Geo’s employees/joint employees.
7
8 69. Plaintiff Carney’s attorney gave written notice by certified mail to the Labor and Workforce
9 Development Agency (“LWDA”) and CRC and Geo identifying violations set forth above on
10 November 18, 2015. On June 19, 2025, Plaintiff Carney gave an amended written notice by
11 certified mail to the LWDA, CRC, and Geo identifying violations set forth above.
12
13 70. Plaintiff Carney seeks to recover all civil penalties recoverable under PAGA against Defendants
14 CRC and Geo, including penalties pursuant to Labor Code sections 201, 202, 203, 204, 210, 226,
15 226.3, 226.7, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1197, 1197.1, 1174.5, 2802, and 2699(f).
16
17 71. As alleged above, Defendant M-I has committed Labor Code violations against Plaintiff Last and
18 Defendant M-I’s employees.
19
20 72. Plaintiff Last’s attorney gave written notice by certified mail to the Labor and Workforce
21 Development Agency (“LWDA”) and M-I identifying violations set forth above on May 20, 2020.
22 On June 19, 2025, Plaintiff Last gave an amended written notice by certified mail to the LWDA
23 and M-I identifying violations set forth above
24
25 73. Plaintiff Last seeks to recover all civil penalties recoverable under PAGA against Defendant M-I,
26 including penalties pursuant to Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7,
27 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1197, 1197.1, 2802, and 2699(f).
28
74. Plaintiffs have incurred attorney’s fees and costs in pursuing this claim.

Cause of Action No. 10
(By Plaintiff Carney against Defendant Geo Drilling Fluids, Inc.)
Wrongful Termination in Violation of Public Policy

75. Plaintiff Carney realleges all the preceding paragraphs.

- 1 76. Plaintiff Carney complained to Geo's supervisory employees about Geo's wrongful conduct,
2 including, but not limited to Geo's insistence that he work unpaid hours more than those hours for
3 which he was scheduled.
- 4 77. When Plaintiff Carney complained, Geo retaliated against him by terminating his employment.
- 5 78. Geo's retaliatory conduct was against the public policy of the State of California as evidenced by
6 the enactment of the Labor Code provisions and the applicable Wages Order provisions referenced
7 above.
- 8 79. As a proximate cause of Geo's wrongful acts, Plaintiff Carney has suffered and continues to suffer
9 damages, including lost wages, benefits, and certain other incidental, consequential expenses and
10 losses, and general damages for pain and suffering and emotional distress in an amount to be
11 determined.
- 12 80. The individuals committing the wrongful acts alleged were the employees of Geo. Geo: (A) had
13 advance knowledge of the unfitness of the employee(s) and employed the employee(s) with a
14 conscious disregard of the rights or safety of others, (B) authorized or ratified the wrongful conduct
15 alleged herein, and/or (C) was personally guilty of oppression, fraud or malice based on the acts
16 alleged herein in that the advance knowledge and conscious disregard, authorization, ratification
17 or act of oppression, fraud, or malice was on the part of an officer, director or managing agent of
18 Geo.
- 19 81. Geo's conduct was: (A) an intentional misrepresentation, deceit, or concealment of a material fact
20 known to Geo with the intention of thereby depriving Plaintiff Carney of property or legal rights
21 or otherwise causing injury, (B) intended by Geo to cause injury to Plaintiff Carney or was
22 despicable conduct that was carried on by Geo with a willful and conscious disregard of the rights
23 or safety of others, and/or (C) despicable conduct that subjected Plaintiff Carney to cruel and unjust
24 hardship in conscious disregard of Plaintiff Carney's rights so as to justify an award of punitive
25 damages against Geo.

26
27 WHEREFORE, Plaintiffs demand a jury trial and request that judgment be entered against all
28 Defendants as follows:

Third Amended Complaint

1. Certification of this action as a class action and the appointment of Plaintiffs Carney, Last, and Kaveler as the representatives of their respective classes and Plaintiffs' counsel as Lead Counsel for the classes;
2. An award of damages for the amount of unpaid wages including minimum wages, regular time wages, overtime wages, and meal and rest period premiums in addition to interest subject to proof;
3. An award of any waiting time penalties due pursuant to Labor Code section 203;
4. An award of penalties pursuant to Labor Code section 226;
5. An award of restitution pursuant to Business & Professions Code sections 17200, *et seq.*;
6. An award of all civil penalties awardable pursuant to the PAGA;
7. An award of pre- and post-judgment interest on all monetary relief prayed for above, as may be permitted by law;
8. An award of reasonable attorneys' fees;
9. An award of costs of suit;
10. Compensatory damages according to proof;
11. Punitive damages according to proof;
12. All such other relief as this Court shall deem just and proper.

Dated: June 19, 2025

The Blanchard Law Group, APC

BY: 

LONNIE C. BLANCHARD, III
Attorney for Plaintiffs

Exhibit 4

Exhibit 4 to Settlement Agreement

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

Scott Carney, Romein Martinez, Donovan Last,
and Michael Kaveler on behalf of themselves and
all others similarly situated,

Plaintiff,

vs.

Geo Drilling Fluids, Inc., a California
Corporation, California Resources Corporation, a
Delaware Corporation, M-I, LLC, and Does 1
through 10,

Defendants.

AND RELATED CROSS-ACTION

Case No. BCV-15-101729-BCB

CLASS ACTION

*(Assigned to the Hon. Bernard C. Barmann, Jr.
– Dept. H)*

Stipulated Judgment

Defendant [NAME] was contractually obligated pursuant to the Settlement Agreement and Defendants' Confidential Allocation Agreement, to which it is a party, to pay \$[AMOUNT] ([AMOUNT] dollars and [AMOUNT] cents) into the Escrow Account by no later than [DATE].

Defendant [NAME] failed to timely make its payments to the Escrow Account as required under the Settlement Agreement and Confidential Allocation Agreement. Defendant [NAME] further failed to cure its breach after having been provided notice of the breach by Plaintiff [NAME].

Therefore, Judgment is hereby entered against Defendant [NAME] pursuant to California Civil Code section 664.6 in the amount of \$_____.

Stipulated Judgment

Exhibit 4 to Settlement Agreement

Dated: _____

JUDGE OF THE SUPERIOR COURT

Stipulated Judgment

Exhibit 5

LONNIE C. BLANCHARD III (SBN 93530)
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LARS KINDEM (SBN 312835)
THE DION-KINDEM LAW FIRM
PETER R. DION-KINDEM, P. C.
3856 Davids Road, Agoura Hills, CA 91301
Telephone: (818) 883-4900
Email: peter@dionkindemlaw.com

June 19, 2025

Via Certified Mail, Return Receipt Requested

Labor & Workforce Development Agency
Attn: PAGA Administrator
pagafilings@dir.ca.gov

California Resources Corporation
1 World Trade Center, Suite 1500
Long Beach, CA 90831

James E. Clifford
Agent for Service of Process for:
Geo Drilling Fluids, Inc.
1431 Union Ave.
Bakersfield, CA 93305

CSC-Lawyers Incorporating Services
Agent for Service of Process for
California Resources Corporation
2710 Gateway Oaks Drive
Sacramento, CA 95833

M-I L.L.C.
1200 ENCLAVE PKWY MD 323
HOUSTON TX 77077

M-I L.L.C.
5950 North Course Dr.
Houston, TX 77072

Re: Notice of California Labor Code violations

Peter R. Dion-Kindem, P.C. and the Blanchard Law Group, APC represent Scott Carney. Pursuant to the provisions of Labor Code sections 2699, *et seq.*, please be advised that during Carney's employment with California Resources Corporation and Geo Drilling Fluids, Inc. (together "Defendants"), Defendants violated the provisions of the California Labor Code set forth in Addendum 1 hereto. This is a revised PAGA letter that is being submitted as part of the complete settlement of this matter. This settlement will ultimately be submitted to the LWDA and submitted by motion to the Superior Court of the State of California for Kern County for approval.

THE BLANCHARD LAW GROUP, APC

A handwritten signature in black ink, appearing to read 'Lonnie C. Blanchard III', written in a cursive style.

LONNIE C. BLANCHARD III

ADDENDUM 1

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I. THE EMPLOYER PARTIES

A. Geo Drilling Fluids, Inc.

Geo Drilling Fluids, Inc. (“Geo”) is a California corporation located at 1431 Union Ave. Bakersfield, CA 93305, California.

B. California Resources Corporation

California Resources Corporation (“CRC”) is a Delaware corporation with offices located at 1 World Trade Center, Suite 1500, Long Beach, CA 900831. CRC was the primary operator of wells at which Carney worked during the PAGA period. Upon information and belief CRC at times supplied its own Company men to control the daily work at the drill sites including work performed by Carney and other Aggrieved Employees.

C. M-I LLC

M-I LLC (“M-I”) is a business that formerly operated in California. Upon information and belief M-I at times supplied its drilling fluid specialists like Carney and including other Aggrieved Employees, to CRC work sites.

D. Joint Employers.

Industrial Welfare Commission, Wage Order 4-2001, Section 2 (G) defines an employer as follows: “[A]ny person as defined in Section 18 of the Labor Code, who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of any person.”

“[T]he ‘joint employer’ concept recognizes that the business entities involved are in fact separate but that they *share* or co-determine those matters governing the essential terms and conditions of employment [citations omitted].” *EEOC v. Pacific Maritime Assn.*, (2003) 351 F.3d 1270, 1276-1277. (Emphasis in the original).

- Although Geo was the party that initially hired Carney and other Aggrieved Employees, CRC had the power to request specific mud engineers and could discipline, terminate, and/or transfer them from their positions working at the drill site.
- CRC trained Carney and other Aggrieved Employees at the job site regarding safety and other issues.
- Geo, CRC, and/or M-I set Carney and other Aggrieved Employees’ hours and/or work schedules.
- CRC instructed Carney and other Aggrieved Employees when and/or where to work once they arrived at the drilling location.
- Geo, CRC, and/or M-I each had the power to cause Carney and/or other Aggrieved Employees to work and/or to prevent Carney and/or other Aggrieved Employees from working.

- CRC had the power to instruct Carney and other Aggrieved Employees when and whether to take meal and rest periods.
- The scope and plan for work at each drilling operation was predetermined insofar as is foreseeable by CRC engineers in advance of any work being performed on the site. Included in this plan were decisions about how the mud was to be maintained by the mud engineers. This plan is supervised and enforced by CRC drill site managers, also known as “company men.”
- CRC’s company men directed Carney and other Aggrieved Employees about what to do or what not to do as to virtually every aspect of their jobs.
- CRC’s company men determined where Carney and other Aggrieved Employees parked their work trailers.
- CRC’s company men told Carney and other Aggrieved Employees when to order more water and when to coordinate water trucks on the drill site.
- CRC’s company men determined where on the drilling site Carney and other Aggrieved Employees should be and when they should be there.
- CRC’s company men could and did instruct Carney and other Aggrieved Employees when to run extra analyses on the mud.
- CRC’s company men could and did determine how long Carney and other Aggrieved Employees were required to stay at the pit, including but not limited to, during a lost circulation event.
- CRC’s company men could and did determine which and how much materials Carney and other Aggrieved Employees could use in a loss of circulation event.
- CRC’s company men could and did review mud reports provided by Carney and other Aggrieved Employees and could and did approve or disapprove of Carney and other Aggrieved Employees’ plan of action in maintaining the mud according to CRC’s wishes.
- CRC’s company men could and did remove Carney and other Aggrieved Employees off the site.
- CRC’s company men could and did request particular mud engineers to work with.
- CRC’s company men could and did determine when Carney and other Aggrieved Employees would eat and where they would eat and whether they would eat together.

For the reasons stated above, Geo, CRC, and M-I are the joint employers of Scott Carney and/or the Aggrieved Employees. Hereinafter, they will collectively be referred to as the “Defendants.”

Defendants violated or caused to be violated provisions of the Labor Code and/or provisions regularizing hours and days of work in an order of the Industrial Welfare Commission.

II. THE EMPLOYEE PARTIES

A. Scott Carney

Scott Carney (“Carney”) is a resident of California. On or around October 19, 2009, Defendants hired Carney to work as a mud engineer. Defendants wrongfully treated Carney and other mud engineers as “exempt” despite the fact that they were in reality employees who were not exempt from the payment of overtime under California and federal law. Carney primarily performed services based out of Geo’s Bakersfield offices in Kern County, California. On or around December 15, 2014 Defendants terminated Carney’s employment.

B. Aggrieved Employees

Pursuant to Labor Code Sections 2698, *et seq.*, the Private Attorney General Act of 2004 (“PAGA”), Carney is entitled to recover civil penalties on behalf of himself and other persons who are or were employed by the alleged violator and against whom one or more of the alleged violations was committed.

One or more of the alleged violations set forth below was committed against Carney, and Carney is therefore an “aggrieved employee” under Labor Code Section 2699(c), which provides in relevant part:

(c) For purposes of this part, “aggrieved employee” means any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed.

For the purposes of this matter, the Aggrieved Employees include, but are not limited to, Carney and all non-exempt employees, including misclassified employees, who are or have been employed by the Defendants as mud engineers and/or drilling fluid specialists in California.

III. DEFENDANTS’ MISCLASSIFICATION OF CARNEY AND AGGRIEVED EMPLOYEES AS EXEMPT EMPLOYEES.

Defendants employed Carney as a mud engineer. Carney typically worked 12 hours or more per shift and was required to be at the drill site 24 hours per day and seven days per week for at least two weeks straight every four-week period. Carney was not exempt from the payment of overtime and worked more than eight hours in a day and more than 40 hours in a week. Defendants did not properly compensate Carney and other Aggrieved Employees for the overtime hours they worked at the correct rates. Rather, Defendants intentionally misclassified Carney and Aggrieved Employees as exempt to avoid obligations imposed upon employers under California law.

Carney and other Aggrieved Employees did not exercise personal discretion in the completion of their job duties but rather followed established standard procedures and guidelines and/or worked under the supervision of and at the behest of the drill site manager in executing work intended to conform to the pre-ordained plans of drilling engineers. The work carried out by Carney and other Aggrieved Employees was primarily mechanical.

Carney and other Aggrieved Employees' analyses of the mud were recorded in reports provided to the drill site manager, who then controlled and determined whether and to what degree Carney and/or other Aggrieved Employees should follow standardized formulas in treating the mud.

Although conducting mud analyses was an important part of Carney and other Aggrieved Employees' work, they generally spent more time addressing loss of circulation events. In these situations, Defendants required Carney and/or other Aggrieved Employees to stay at the pit and follow the drill site manager's instructions. Depending on the circumstances, Carney and/or other Aggrieved Employees were required to work shifts longer than the 12-hour scheduled shifts.

Carney and other Aggrieved Employees also performed multiple other mechanical tasks at the direction of the drill site manager including but not limited to ordering and coordinating the delivery of mud agents, and lost circulation materials.

In addition to failing to provide Carney and other Aggrieved Employees with all the wages due to them, Defendants also failed to provide proper meal and rest breaks. Specifically, Carney and Aggrieved Employees were not provided with the legally required meal and/or rest periods.

IV. DEFENDANTS' LABOR LAW VIOLATIONS

Among the other California Labor law violations that were committed and are currently being committed by Defendants are the following:

A. Defendants failed to pay Carney and other Aggrieved Employees for all wages earned.

1. Applicable Law

California Labor Code Section 1182.12 in relevant part provides:

Notwithstanding any other provision of this part, on and after January 1, 2007, the minimum wage for all industries shall be not less than seven dollars and fifty cents (\$7.50) per hour, and on and after January 1, 2008, the minimum wage for all industries shall be not less than eight dollars (\$8.00) per hour and on and after July 1, 2014, the minimum wage for all industries shall be not less than nine dollars (\$9) per hour.

California Labor Code Section 1197 in relevant part provides:

The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.

Paragraph 4 of the applicable Wage Order provides in relevant part:

(A) Every employer shall pay to each employee wages not less than seven dollars and fifty cents (\$7.50) per hour for all hours worked, effective January 1, 2007, and not less than eight dollars (\$8.00) per hour for all hours worked, effective January

1, 2008 and not less than not less than nine dollars (\$9.00) per hour *for all hours worked*, effective July 1, 2014 ... [Note: between July 1, 2014 and January 1, 2025, the minimum wage rate increased in various increments to sixteen dollars and fifty cents (\$16.50)]

...

(B) Every employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage *for all hours worked* in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise. (Emphasis added.)

2. Facts

Defendants failed to pay Carney and other Aggrieved Employees the applicable minimum wage for all hours worked, for overtime hours, for missed meal period wages, missed rest period wages, and for other compensation due them under California law.

B. Defendants failed to provide Carney and other Aggrieved Employees one day's rest in seven.

1. Applicable Law

California Labor Code Section 551 provides:

Every person employed in any occupation of labor is entitled to one day's rest therefrom in seven.

2. Facts

Defendants violated Section 551 by failing to provide Carney and other Aggrieved Employees one days rest in seven. Once employed at a drilling site, Carney and other Aggrieved Employees were on duty for a minimum of 12 hours per day and 14 days in a row

C. Defendants caused Carney and other Aggrieved Employees to work more than six days in seven.

1. Applicable Law

California Labor Code Section 552 provides:

No employer of labor shall cause his employees to work more than six days in seven.

2. Facts

Defendants violated Section 552 by causing Carney and other Aggrieved Employees to work more than six days in seven. Once employed at a drilling site, Carney and other Aggrieved Employees were on duty for a minimum of 12-hours per day and 14 days in a row.

D. Defendants failed to compensate Carney and other Aggrieved Employees for all overtime hours worked at the correct rates.

1. Applicable Law

California Labor Code Section 510 provides in relevant part:

(a) Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.

2. Facts

During Carney's and other Aggrieved Employees' employment with Defendants, they worked more than eight hours in a day and/or more than 40 hours in a week, and/or more than seven consecutive days but were not paid the overtime wages due to them.

E. Defendants violated Defendants' meal period obligations.

1. Applicable Law

California Labor Code Section 512 provides in relevant part:

(a) An employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

California Labor Code Section 226.7 provides:

(b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or

applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

Paragraph 10 of the applicable Wage Order provides in relevant part:

10. MEAL PERIODS

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than thirty (30) minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of employer and employee. (See Labor Code Section 512.)

(B) An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of employer and employee only if the first meal period was not waived. (See Labor Code Section 512.)

(C) In all places of employment the employer shall provide an adequate supply of potable water, soap, or other suitable cleansing agent and single use towels for hand washing.

(D) Unless the employee is relieved of all duty during a thirty (30) minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents employee from being relieved of all duty and when, by written agreement between the parties, an on-the-job paid meal period is agreed to and complies with Labor Code Section 512.

(E) Collective Bargaining Agreements. Subsections (A), (B), and (D) of Section 10, Meal Periods, shall not apply to any employee covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of the employees, and if the agreement provides premium wage rates for all overtime hours worked and a regular hourly rate of pay for those employees of not less than thirty (30) percent more than the state minimum wage.

(F) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. In cases where a valid collective bargaining agreement provides final and binding mechanism for resolving disputes regarding enforcement of the meal period provisions, the collective bargaining agreement will prevail.

Under California law, an employer must authorize and permit each non-exempt employee a meal period after no more than 5 hours of work and a second meal period after no more than 10 hours of work. (See, Lab.C. § 512; IWC Wage Order No. 16, § 10(A); *Brinker v. Superior Court* (2012) 53 Cal.4th 1004, 1049 (“Under the wage order, as under the statute [Section 512(a)], an Defendants’ obligation is to provide a first meal period after no more than five hours of work and a second meal period after no more than 10 hours of work.”).)

An employer satisfies this obligation only where “it relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted 30–minute break, and does not impede or discourage them from doing so.” (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040 [139 Cal.Rptr.3d 315, 343, 273 P.3d 513, 536-37].)

A purported “meal period” which does not satisfy these criteria, or which is not provided at the required time in the employee’s workday, does not constitute a meal period as defined by California law. (*Brinker* 53 Cal.4th at 1035-1037, 1049.)

An employee not provided a meal period or provided a purported “meal period” that does not conform to the specific requirements of California law has been deprived a of a meal period and is entitled to one hour of pay for each workday the meal period is not provided. (See, Lab.C. § 226.7(c); IWC Wage Order No. 16, § 10(F); *Brinker* 53 Cal.4th at 1035-1040.)

Furthermore, if an employee may not leave the workplace, the meal period ***counts as time worked*** for overtime purposes, even if the employee is relieved of all work duties during mealtime. (See *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968, 977; *Morillion v. Royal Packing Co.* (2000) 22 Cal.4th 575, 586.)

2. Facts

Defendants failed to provide Carney and other Aggrieved Employees with the required duty-free meal periods in a timely manner. Furthermore, Carney and other Aggrieved Employees regularly worked more than 10 hours per workday and therefore had a right to take a second meal period on those workdays and on such occasions Defendants also often failed to provide Carney and other Aggrieved Employees with the required second, duty-free meal periods. Defendants failed to pay Carney and other Aggrieved Employees the compensation due them pursuant to Labor Code Section 226.7 and the applicable Wage Order.

F. Defendants violated Defendants’ rest period obligations.

1. Applicable Law

Labor Code Section 226.7 provides:

b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

Paragraph 11 of the applicable Wage Order provides in relevant part:

11. REST PERIODS

(A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. Nothing in this provision shall prevent an employer from staggering rest periods to avoid interruption in the flow of work and to maintain continuous operations, or from scheduling rest periods to coincide with breaks in the flow of work that occur in the course of the workday. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time for every four (4) hours worked, or major fraction thereof. Rest periods shall take place at employer-designated areas, which may include or be limited to the employees' immediate work area.

(B) Rest periods need not be authorized in limited circumstances when the disruption of continuous operations would jeopardize the product or process of the work. However, the employer shall make up the missed rest period within the same workday or compensate the employee for the missed ten (10) minutes of rest time at his/her regular rate of pay within the same pay period.

(C) A rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

(D) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. In cases where a valid collective bargaining agreement provides final and binding mechanism for resolving disputes regarding enforcement of the rest period provisions, the collective bargaining agreement will prevail.

(E) This section shall not apply to any employee covered by a valid collective bargaining agreement if the collective bargaining agreement provides equivalent protection.

Under California law, an employer must authorize and permit each non-exempt employee a 10-minute rest period for each 4 hours of work or major fraction thereof. (*See*, IWC Wage Order No. 16, § 11(A); *Brinker* 53 Cal.4th at 1028-1030.) Thus, employers must authorize and permit one 10-minute rest period for employees working 3.5 to 6 hours, two 10-minute rest periods for employees working 6-10 hours, three 10-minute rest periods for employees working 10-14 hours, and so on. (*See*, *Brinker* 53 Cal.4th at 1029. ("Thus, under the initial calculation called for by this

part of the wage order, an employee would receive no rest break time for shifts of two hours or less, 10 minutes for shifts lasting more than two hours up to six hours, 20 minutes for shifts lasting more than six hours up to 10 hours, and so on.”).)

2. Facts

Even though Carney and other Aggrieved Employees worked shifts greater than eight hours, Defendants did not provide Carney and other Aggrieved Employees with all legally required rest periods to which they were entitled. Defendants failed to pay Carney and other Aggrieved Employees the compensation due them pursuant to Labor Code Section 226.7 and the applicable Wage Order.

G. Defendants violated Labor Code Section 226(a).

1. Applicable Law

California Labor Code Section 226 provides in relevant part:

(a) An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. For purposes of this subdivision, “copy” includes a duplicate of the itemized statement provided to an employee or a computer-generated record that accurately shows all of the information required by this subdivision.

...

(e)(1) An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees.

(2)(A) An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide a wage statement.

(B) An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide accurate and complete information as required by any one or more of items (1) to (9), inclusive, of subdivision (a) and the employee cannot promptly and easily determine from the wage statement alone one or more of the following:

(i) The amount of the gross wages or net wages paid to the employee during the pay period or any of the other information required to be provided on the itemized wage statement pursuant to items (2) to (4), inclusive, (6), and (9) of subdivision (a).

(ii) Which deductions the employer made from gross wages to determine the net wages paid to the employee during the pay period. Nothing in this subdivision alters the ability of the employer to aggregate deductions consistent with the requirements of item (4) of subdivision (a).

(iii) The name and address of the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer during the pay period.

(iv) The name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number.

(C) For purposes of this paragraph, "promptly and easily determine" means a reasonable person would be able to readily ascertain the information without reference to other documents or information.

(3) For purposes of this subdivision, a "knowing and intentional failure" does not include an isolated and unintentional payroll error due to a clerical or inadvertent mistake. In reviewing for compliance with this section, the factfinder may consider as a relevant factor whether the employer, prior to an alleged violation, has adopted and is in compliance with a set of policies, procedures, and practices that fully comply with this section.

2. Facts

Defendants failed to provide Carney and other Aggrieved Employees with the legally required wage statements because, among other reasons, Defendants illegally treated them as exempt or as non-employees.

H. Defendants violated Labor Code Section 1174 and applicable sections of the applicable Wage Order regarding record keeping.

1. Applicable Law

California Labor Code Section 1174 provides in relevant part:

Every person employing labor in this state shall:

. . . (d) Keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by the commission, but in any case shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.

California Labor Code Section 1174.5 provides:

Any person employing labor who willfully fails to maintain the records required by subdivision (c) of Section 1174 or accurate and complete records required by subdivision (d) of Section 1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).

Paragraph 6 of the applicable Wage Order provides in relevant part:

6. Records

(A) Every employer who has control over wages, hours, or working conditions shall keep accurate information with respect to each employee, including the following:

(1) The employee's full name, home address, occupation, and social security number. The employee's date of birth, if under 18 years of age, and designation as a minor. Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals, and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.

(2) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.

(3) Total hours worked during the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request. When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

(B) Every employer who has control over wages, hours, or working conditions shall semimonthly or at the time of each payment of wages furnish each employee an

itemized statement in writing showing: (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee's social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregated and shown as one item. (See Labor Code Section 226.) This information shall be furnished either separately or as a detachable part of the check, draft, or voucher paying the employee's wages.

(C) All required records shall be in the English language and in ink or other indelible form, dated properly, showing month, day and year. The employer who has control over wages, hours, or working conditions shall also keep said records on file at the place of employment or at a central location for at least three years. An employee's records shall be available for inspection by the employee upon reasonable request.

2. Facts

Defendants' policies and/or practices of failing to pay regular and overtime wages calculated at the proper rate of pay, failing to pay meal and rest period premiums, and failing to include all required and accurate information on the wage statements have caused Carney and the other Aggrieved Employees to suffer and they will continue to suffer actual economic harm from the violations set forth above in that they have been, and will continue to be, precluded from accurately monitoring the wages to which they are entitled, have been required to retain counsel and other experts or consults to evaluate and calculate unpaid wages, and have suffered delays in receiving the wages and interest that are due and owing to them.

By willfully failing to maintain the records required by California Labor Code Section 1174(c), or accurate and complete records required by Section 1174(d), Defendants are also liable for a civil penalty of \$500 for each violation.

I. Defendants violated Labor Code Sections 201 and 202.

1. Applicable Law

California Labor Code Section 201 provides:

If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately...

California Labor Code Section 202 provides:

If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

2. Facts

Defendants violated Section 201 as to Carney and other Aggrieved Employees who were discharged by willfully failing to timely pay the wages earned and unpaid upon the termination of their employment, including unpaid wages for regular hours worked, unpaid overtime, and/or unpaid meal and/or rest period premiums.

Defendants violated Section 202 as to Aggrieved Employees who quit by willfully failing to timely pay the wages earned and unpaid upon the termination of their employment, including unpaid wages for regular hours worked, unpaid overtime, and/or unpaid meal and/or rest period premiums.

J. Defendants violated Labor Code Section 203.

1. Applicable Law

California Labor Code Section 203 provides:

(a) If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections **201**, 201.3, 201.5, 201.6, 201.8, 201.9, **202**, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days. An employee who secretes or absents themselves to avoid payment to them, or who refuses to receive the payment when fully tendered to them, including any penalty then accrued under this section, is not entitled to any benefit under this section for the time during which the employee so avoids payment. (Emphasis added.)

2. Facts

Defendants violated Section 203 as to Carney and other Aggrieved Employees by failing to pay the wages owing to them thereunder. Defendants' failure to pay all final wages due was willful within the meaning of Labor Code Section 203.

K. Defendants violated Labor Code Section 204.

1. Applicable Law

California Labor Code Section 204 provides in relevant part:

[L]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month.

California Labor Code Section 210 provides in relevant part:

[i]n addition to, and entirely independent and apart from, any other penalty provided in his article, every person who fails to pay the wages of each employee as provided in sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, and 1197.5, shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee” and (2) For each subsequent violation or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amounts unlawfully withheld.

2. Facts

At all relevant times, Carney and Aggrieved Employees were Defendants’ employees (including joint employees) and covered by Labor Code section 204 and applicable Wage Orders.

In the one-year before the initiation of this Action through the present, Defendants employed policies and practices that resulted in, at times, not paying Carney and Aggrieved Employees in accordance with Labor Code section 204 and they therefore seek penalties in the amount of \$100 for each initial violation and \$200 for each subsequent violation.

Pursuant to Labor Code 218.6, Code of Civil Procedure section 1021.5 and 1032, and Civil Code section 3287, Plaintiffs and class members are entitled to recovery of penalties, interest, and their costs of suit, as well.

L. Defendants violated Labor Code Section 2802.

1. Applicable Law

California Labor Code Section 2802 provides in relevant part:

an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties . . .

2. Facts

Defendants required Carney and Aggrieved Employees to incur, at times, necessary expenditures or losses in direct consequence of the discharge of their duties or at the obedience to the directions of Defendants that included, without limitation: using cellular phones for work-related purposes, but Defendants failed and refused to reimburse them for those losses and/or expenditures, and as a result of Defendants’ unlawful conduct, they have suffered damages in an amount subject to proof, to the extent that they were not reimbursed for the herein-described losses and/or expenditures.

V. DEFENDANTS ARE LIABLE FOR PENALTIES PURSUANT TO THE PAGA.

By virtue of Defendants’ violations, Defendants are liable for penalties pursuant to Labor Code Sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1197, 1197.1, 2802, and 2699(f). *inter alia*.

Exhibit 6

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June 19, 2025

Via Certified Mail, Return Receipt Requested

Labor & Workforce Development Agency
Attn: PAGA Administrator
pagafilings@dir.ca.gov

M-I L.L.C.
1200 ENCLAVE PKWY MD 323
HOUSTON TX 77077

M-I L.L.C.
5950 NORTH COURSE DR
HOUSTON TX 77072

California Resources Corporation
1 World Trade Center, Suite 1500
Long Beach, CA 90831

Re: Notice of California Labor Code violations

The Blanchard Law Group, APC and Peter R. Dion-Kindem, P.C. and represent Donovan Last. Pursuant to the provisions of Labor Code Sections 2699, *et seq.*, please be advised that during Mr. Last's employment, California Resources Corporation and M-I L.L.C. violated the provisions of the California Labor Code as set forth in Addendum 1 hereto.

THE BLANCHARD LAW GROUP, APC



LONNIE C. BLANCHARD III

ADDENDUM 1

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I. THE EMPLOYER PARTIES

A. California Resources Corporation

California Resources Corporation (“CRC”) is a Delaware corporation with offices located at 1 World Trade Center, Suite 1500, Long Beach, CA 900831. CRC was the primary operator of wells at which Last worked during the PAGA period. Upon information and belief CRC at times supplied its own Company men to control the daily work at the drill sites including work performed by Last and other Aggrieved Employees.

B. M-I L.L.C.

M-I LLC (“M-I”) is a business that formerly operated in California. Upon information and belief M-I at times supplied its drilling fluid specialists like Last and including other Aggrieved Employees, to drill sites or work sites run by various operators, including, but not limited to, CRC.

C. Joint Employers

Industrial Welfare Commission, Wage Order 4-2001, Section 2 (G) defines an employer as follows: “[A]ny person as defined in Section 18 of the Labor Code, who directly or indirectly, or through an agent or any other person, employs or exercises control over the wages, hours, or working conditions of any person.”

“[T]he ‘joint employer’ concept recognizes that the business entities involved are in fact separate but that they *share* or co-determine those matters governing the essential terms and conditions of employment [citations omitted].” *EEOC v. Pacific Maritime Assn.*, (2003) 351 F.3d 1270, 1276-1277. (Emphasis in the original).

- CRC had the power to request specific mud engineers and could discipline, terminate, and/or transfer them from their positions working at the drill site.
- CRC trained Last and other Aggrieved Employees at the job site regarding safety and other issues.
- CRC and M-I set Last and other Aggrieved Employees’ hours and/or work schedules.
- CRC instructed Last and other Aggrieved Employees when and/or where to work once they arrived at the drilling location.
- CRC and M-I each had the power to cause Last and/or other Aggrieved Employees to work and/or to prevent Last and/or other Aggrieved Employees from working.
- CRC had the power to instruct Last and other Aggrieved Employees when and whether to take meal and rest periods.
- The scope and plan for work at each drilling operation was predetermined insofar as is foreseeable by CRC engineers in advance of any work being performed on the site. Included in this plan were decisions about how the mud was to be maintained

by the mud engineers. This plan is supervised and enforced by CRC drill site managers, also known as “company men.”

- CRC’s company men directed Last and other Aggrieved Employees about what to do or what not to do as to virtually every aspect of their jobs.
- CRC’s company men determined where Last and other Aggrieved Employees parked their work trailers.
- CRC’s company men told Last and other Aggrieved Employees when to order more water and when to coordinate water trucks on the drill site.
- CRC’s company men determined where on the drilling site Last and other Aggrieved Employees should be and when they should be there.
- CRC’s company men could and did instruct Last and other Aggrieved Employees when to run extra analyses on the mud.
- CRC’s company men could and did determine how long Last and other Aggrieved Employees were required to stay at the pit, including but not limited to, during a lost circulation event.
- CRC’s company men could and did determine which and how much materials Last and other Aggrieved Employees could use in a loss of circulation event.
- CRC’s company men could and did review mud reports provided by Last and other Aggrieved Employees and could and did approve or disapprove of Last and other Aggrieved Employees’ plan of action in maintaining the mud according to CRC’s wishes.
- CRC’s company men could and did remove Last and other Aggrieved Employees off the site.
- CRC’s company men could and did request particular mud engineers to work with.
- CRC’s company men could and did determine when Last and other Aggrieved Employees would eat and where they would eat and whether they would eat together.

CRC and M-I are the joint employers of Last and the Aggrieved Employees. Hereinafter, they will collectively be referred to as the “Defendants.”

Defendants violated or caused to be violated provisions of the Labor Code and/or provisions regulating hours and days of work in an order of the Industrial Welfare Commission.

II. THE EMPLOYEE PARTIES

A. Donovan Last

Last is a resident of California. During the applicable PAGA period, Last worked through M-I on its various customers’ wells in California. Defendants wrongfully treated Last and other mud engineers as “exempt” or as independent contractors, despite the fact that they were in reality employees and were not exempt from the payment of overtime.

B. Aggrieved Employees

Pursuant to Labor Code Sections 2698, *et seq.*, the Private Attorney General Act of 2004 (“PAGA”), Last is entitled to recover civil penalties on behalf of himself and other persons who are or were employed by the alleged violator and against whom one or more of the alleged violations was committed.

One or more of the alleged violations set forth below was committed against Last, and Last is therefore an “aggrieved employee” under Labor Code Section 2699(c), which provides in relevant part:

(c) For purposes of this part, “aggrieved employee” means any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed.

For the purposes of this matter, the Aggrieved Employees include, but are not limited to, Last and all non-exempt employees, including misclassified employees and independent contractors (including, but not limited to, personnel who were directly employed by a staffing agency), who are or have been employed by or performed work for Defendants as mud engineers and/or drilling fluid specialists in California.

III. DEFENDANTS MISCLASSIFIED LAST AND AGGRIEVED EMPLOYEES AS EXEMPT EMPLOYEES OR AS INDEPENDENT CONTRACTORS.

Defendants employed Last as a mud engineer. Last typically worked 12 hours or more per shift and was required to be at the drill site 24 hours per day and seven days per week for at least two weeks straight every four-week period. Last was not exempt from the payment of overtime and worked more than eight hours in a day and more than 40 hours in a week. Defendants did not properly compensate Last and other Aggrieved Employees for the overtime hours they worked at the correct rates. Rather, Defendants intentionally misclassified Last and Aggrieved Employees as exempt and/or as independent contractors to avoid obligations imposed upon employers under California law.

Last and other Aggrieved Employees did not exercise personal discretion in the completion of their job duties but rather followed established standard procedures and guidelines and/or worked under the supervision of and at the behest of the drill site manager in executing work intended to conform to the pre-ordained plans of drilling engineers. The work carried out by Last and other Aggrieved Employees was primarily mechanical.

Last and other Aggrieved Employees’ analyses of the mud were recorded in reports provided to the drill site manager, who then controlled and determined whether and to what degree Last and/or other Aggrieved Employees should follow standardized formulas in treating the mud.

Although conducting mud analyses was an important part of Last’s and other Aggrieved Employees’ work, they generally spent more time addressing loss of circulation events. In these situations, Defendants required Last and/or other Aggrieved Employees to stay at the pit and

follow the drill site manager's instructions. Depending on the circumstances, Last and/or other Aggrieved Employees were required to work shifts longer than the 12-hour scheduled shifts.

Last and other Aggrieved Employees also performed multiple other mechanical tasks at the direction of the drill site manager including but not limited to ordering and coordinating the delivery of mud agents, and lost circulation materials.

In addition to failing to provide Last and other Aggrieved Employees with all the wages due to them, Defendants also failed to provide proper meal and rest breaks. Specifically, Last and Aggrieved Employees were not provided with the legally required meal and/or rest periods.

IV. DEFENDANTS' LABOR LAW VIOLATIONS

Among the other California Labor law violations that were committed and are currently being committed by Defendants are the following:

A. Defendants failed to pay Last and other Aggrieved Employees for all wages earned.

1. Applicable Law

California Labor Code Section 1182.12 in relevant part provides:

Notwithstanding any other provision of this part, on and after January 1, 2007, the minimum wage for all industries shall be not less than seven dollars and fifty cents (\$7.50) per hour, and on and after January 1, 2008, the minimum wage for all industries shall be not less than eight dollars (\$8.00) per hour and on and after July 1, 2014, the minimum wage for all industries shall be not less than nine dollars (\$9) per hour.

California Labor Code Section 1197 in relevant part provides:

The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.

Paragraph 4 of the applicable Wage Order provides in relevant part:

(A) Every employer shall pay to each employee wages not less than seven dollars and fifty cents (\$7.50) per hour for all hours worked, effective January 1, 2007, and not less than eight dollars (\$8.00) per hour for all hours worked, effective January 1, 2008 and not less than not less than nine dollars (\$9.00) per hour ***for all hours worked***, effective July 1, 2014...

...

(B) Every employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage ***for all hours worked*** in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise. (Emphasis added.)

2. Facts

Defendants failed to pay Last and other Aggrieved Employees the applicable minimum wage for all hours worked, for overtime hours, for missed meal period wages, missed rest period wages, and for other compensation due them under California law.

B. Defendants failed to provide Last and other Aggrieved Employees one day's rest in seven.

1. Applicable Law

California Labor Code Section 551 provides:

Every person employed in any occupation of labor is entitled to one day's rest therefrom in seven.

California Labor Code Section 554 provides:

(a) Sections 551 and 552 do not apply to cases of emergency or to work performed in the protection of life or property from loss or destruction, or to any common carrier engaged in or connected with the movement of trains. Nothing in this chapter shall be construed to prevent an accumulation of days of rest when the nature of the employment reasonably requires that the employee work seven or more consecutive days, if in each calendar month the employee receives days of rest equivalent to one day's rest in seven. The requirement respecting the equivalent of one day's rest in seven shall apply, notwithstanding the other provisions of this chapter relating to collective bargaining agreements, where the employer and a labor organization representing employees of the employer have entered into a valid collective bargaining agreement respecting the hours of work of the employees, unless the agreement expressly provides otherwise.

(b) In addition to the exceptions specified in subdivision (a), the Chief of the Division of Labor Standards Enforcement may, when in his or her judgment hardship will result, exempt any employer or employees from the provisions of Sections 551 and 552.

2. Facts

Defendants violated Section 551 by failing to provide Last and other Aggrieved Employees one day's rest in seven. Once employed at a drilling site, Last and other Aggrieved Employees were on duty for a minimum of 12 hours per day and 14 days in a row.

C. Defendants caused Last and other Aggrieved Employees to work more than six days in seven.

1. Applicable Law

California Labor Code Section 552 provides:

No employer of labor shall cause his employees to work more than six days in seven.

California Labor Code Section 554 provides:

(a) Sections 551 and 552 do not apply to cases of emergency or to work performed in the protection of life or property from loss or destruction, or to any common carrier engaged in or connected with the movement of trains. Nothing in this chapter shall be construed to prevent an accumulation of days of rest when the nature of the employment reasonably requires that the employee work seven or more consecutive days, if in each calendar month the employee receives days of rest equivalent to one day's rest in seven. The requirement respecting the equivalent of one day's rest in seven shall apply, notwithstanding the other provisions of this chapter relating to collective bargaining agreements, where the employer and a labor organization representing employees of the employer have entered into a valid collective bargaining agreement respecting the hours of work of the employees, unless the agreement expressly provides otherwise.

(b) In addition to the exceptions specified in subdivision (a), the Chief of the Division of Labor Standards Enforcement may, when in his or her judgment hardship will result, exempt any employer or employees from the provisions of Sections 551 and 552.

2. Facts

Defendants violated Section 552 by causing Last and other Aggrieved Employees to work more than six days in seven. Once employed at a drilling site, Last and other Aggrieved Employees were on duty for a minimum of 12 hours per day and 14 days in a row.

D. Defendants failed to compensate Last and other Aggrieved Employees for all overtime hours worked at the correct rates.

1. Applicable Law

California Labor Code Section 510 provides in relevant part:

(a) Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.

Paragraph 3(A) of the applicable Wage Order provides in relevant part:

3. HOURS AND DAYS OF WORK

(A) Daily Overtime General Provisions

(1) The following overtime provisions are applicable to employees 18 years of age or over and to employees 16 or 17 years of age who are not required by law to attend school and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

(a) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and

(b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.

2. Facts

During Last's and other Aggrieved Employees' employment with Defendants, they worked more than eight hours in a day and/or more than 40 hours in a week and/or more than seven consecutive days but were not paid the overtime wages due to them.

E. Defendants violated Defendants' meal period obligations.

1. Applicable Law

California Labor Code Section 512 provides in relevant part:

(a) An employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

California Labor Code Section 226.7 provides:

(b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the

Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

Paragraph 10 of the applicable Wage Order provides in relevant part:

10. MEAL PERIODS

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than thirty (30) minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of employer and employee. (See Labor Code Section 512.)

(B) An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of employer and employee only if the first meal period was not waived. (See Labor Code Section 512.)

(C) In all places of employment the employer shall provide an adequate supply of potable water, soap, or other suitable cleansing agent and single use towels for hand washing.

(D) Unless the employee is relieved of all duty during a thirty (30) minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents employee from being relieved of all duty and when, by written agreement between the parties, an on-the-job paid meal period is agreed to and complies with Labor Code Section 512.

(E) Collective Bargaining Agreements. Subsections (A), (B), and (D) of Section 10, Meal Periods, shall not apply to any employee covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of the employees, and if the agreement provides premium wage rates for all overtime hours worked and a regular hourly rate of pay for those employees of not less than thirty (30) percent more than the state minimum wage.

(F) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. In cases where a valid collective bargaining

agreement provides final and binding mechanism for resolving disputes regarding enforcement of the meal period provisions, the collective bargaining agreement will prevail.

Under California law, an employer must authorize and permit each non-exempt employee a meal period after no more than 5 hours of work and a second meal period after no more than 10 hours of work. (See, Lab.C. § 512; IWC Wage Order No. 16, § 10(A); *Brinker v. Superior Court* (2012) 53 Cal.4th 1004, 1049 (“Under the wage order, as under the statute [Section 512(a)], an employer’s obligation is to provide a first meal period after no more than five hours of work and a second meal period after no more than 10 hours of work.”).)

An employer satisfies this obligation only where “it relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted 30–minute break, and does not impede or discourage them from doing so.” (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040 [139 Cal.Rptr.3d 315, 343, 273 P.3d 513, 536-37].)

A purported “meal period” which does not satisfy these criteria, or which is not provided at the required time in the employee’s workday, does not constitute a meal period as defined by California law. (*Brinker* 53 Cal.4th at 1035-1037, 1049.)

An employee not provided a meal period or provided a purported “meal period” that does not conform to the specific requirements of California law has been deprived of a meal period and is entitled to one hour of pay for each workday the meal period is not provided. (See, Lab.C. § 226.7(c); IWC Wage Order No. 16, § 10(F); *Brinker* 53 Cal.4th at 1035-1040.)

Furthermore, if an employee may not leave the workplace, the meal period ***counts as time worked*** for overtime purposes, even if the employee is relieved of all work duties during mealtime. (See *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968, 977; *Morillion v. Royal Packing Co.* (2000) 22 Cal.4th 575, 586.)

1. Facts

Defendants failed to provide Last and other Aggrieved Employees with the required duty-free meal periods in a timely manner. Furthermore, Last and other Aggrieved Employees regularly worked more than 10 hours per workday and therefore had a right to take a second meal period on those workdays and on such occasions Defendants also often failed to provide Last and other Aggrieved Employees with the required second, duty-free meal periods. Defendants failed to pay Last and other Aggrieved Employees the compensation due them pursuant to Labor Code Section 226.7 and the applicable Wage Order.

F. Defendants violated Defendants’ rest period obligations.

1. Applicable Law

Labor Code Section 226.7 provides:

b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

Paragraph 11 of the applicable Wage Order provides in relevant part:

11. REST PERIODS

(A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. Nothing in this provision shall prevent an employer from staggering rest periods to avoid interruption in the flow of work and to maintain continuous operations, or from scheduling rest periods to coincide with breaks in the flow of work that occur in the course of the workday. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time for every four (4) hours worked, or major fraction thereof. Rest periods shall take place at employer-designated areas, which may include or be limited to the employees' immediate work area.

(B) Rest periods need not be authorized in limited circumstances when the disruption of continuous operations would jeopardize the product or process of the work. However, the employer shall make up the missed rest period within the same workday or compensate the employee for the missed ten (10) minutes of rest time at his/her regular rate of pay within the same pay period.

(C) A rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

(D) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. In cases where a valid collective bargaining agreement provides final and binding mechanism for resolving disputes regarding enforcement of the rest period provisions, the collective bargaining agreement will prevail.

(E) This section shall not apply to any employee covered by a valid collective bargaining agreement if the collective bargaining agreement provides equivalent protection.

Under California law, an employer must authorize and permit each non-exempt employee a 10-minute rest period for each 4 hours of work or major fraction thereof. (*See*, IWC Wage Order No. 16, ¶ 11(A); *Brinker* 53 Cal.4th at 1028-1030.) Thus, employers must authorize and permit one 10-minute rest period for employees working 3.5 to 6 hours, two 10-minute rest periods for employees working 6-10 hours, three 10-minute rest periods for employees working 10-14 hours, and so on. (*See*, *Brinker* 53 Cal.4th at 1029. (“Thus, under the initial calculation called for by this part of the wage order, an employee would receive no rest break time for shifts of two hours or less, 10 minutes for shifts lasting more than two hours up to six hours, 20 minutes for shifts lasting more than six hours up to 10 hours, and so on.”).)

2. Facts

Last and other Aggrieved Employees worked shifts greater than three and one-half hours but less than four hours, worked shifts greater than six hours but less than eight hours, and worked shifts greater than 10 hours. Defendants did not provide Last and other Aggrieved Employees with all legally required rest periods to which they were entitled.

Defendants failed to pay Last and other Aggrieved Employees the compensation due them pursuant to Labor Code Section 226.7 and the applicable Wage Order.

G. Defendants violated Labor Code Section 226(a).

1. Applicable Law

California Labor Code Section 226 provides in relevant part:

(a) An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the

deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. For purposes of this subdivision, “copy” includes a duplicate of the itemized statement provided to an employee or a computer-generated record that accurately shows all of the information required by this subdivision.

...

(e)(1) An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.

(2)(A) An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide a wage statement.

(B) An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide accurate and complete information as required by any one or more of items (1) to (9), inclusive, of subdivision (a) and the employee cannot promptly and easily determine from the wage statement alone one or more of the following:

(i) The amount of the gross wages or net wages paid to the employee during the pay period or any of the other information required to be provided on the itemized wage statement pursuant to items (2) to (4), inclusive, (6), and (9) of subdivision (a).

(ii) Which deductions the employer made from gross wages to determine the net wages paid to the employee during the pay period. Nothing in this subdivision alters the ability of the employer to aggregate deductions consistent with the requirements of item (4) of subdivision (a).

(iii) The name and address of the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer during the pay period.

(iv) The name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number.

(C) For purposes of this paragraph, “promptly and easily determine” means a reasonable person would be able to readily ascertain the information without reference to other documents or information.

(3) For purposes of this subdivision, a “knowing and intentional failure” does not include an isolated and unintentional payroll error due to a clerical or inadvertent mistake. In reviewing for compliance with this section, the factfinder may consider as a relevant factor whether the employer, prior to an alleged violation, has adopted and is in compliance with a set of policies, procedures, and practices that fully comply with this section.

2. Facts

Defendants failed to provide Last and other Aggrieved Employees with the legally required wage statements because, among other reasons, Defendants illegally treated them as exempt employees or as non-employees.

Because Defendants failed to pay for all hours worked at the proper rates, Defendants violated Section 226(a)(1) as to Plaintiff and other Aggrieved Employees by failing to provide them statements of wages that accurately showed gross wages actually earned.

Because Defendants failed to pay for all hours worked, Defendants violated Section 226(a)(2) by failing to provide Plaintiff and other Aggrieved Employees statements of wages that accurately showed the total hours worked by Plaintiff and other Aggrieved Employees.

Because Defendants failed to pay for all hours worked at the proper rates, Defendants violated Section 226(a)(5) by failing to provide Plaintiff and other Aggrieved Employees with statements of wages that accurately showed net wages earned.

Defendants violated Section 226(a)(6) by failing to provide Plaintiff and other Aggrieved Employees with statement of wages that accurately showed the inclusive dates of the period for which the employee is paid.

Defendants violated Section 226(a)(7) by failing to provide Plaintiff and other Aggrieved Employees with statements of wages that accurately showed the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number.

Defendants violated Section 226(a)(8) by failing to provide Plaintiff and other Aggrieved Employees with statements of wages that accurately showed the name and address of the legal entity that is the employer.

Because Defendants failed to pay for all hours worked, including overtime, Defendants violated Section 226(a)(9) by failing to provide Plaintiff and other Aggrieved Employees with statements of wages that accurately showed the applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

H. Defendants violated Labor Code Section 1174 and applicable sections of the applicable Wage Order regarding record keeping.

1. Applicable Law

California Labor Code Section 1174 provides in relevant part:

Every person employing labor in this state shall:

. . . (d) Keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by the commission, but in any case shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.

California Labor Code Section 1174.5 provides:

Any person employing labor who willfully fails to maintain the records required by subdivision (c) of Section 1174 or accurate and complete records required by subdivision (d) of Section 1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).

Paragraph 6 of the applicable Wage Order provides in relevant part:

6. Records

(A) Every employer who has control over wages, hours, or working conditions shall keep accurate information with respect to each employee, including the following:

(1) The employee's full name, home address, occupation, and social security number. The employee's date of birth, if under 18 years of age, and designation as a minor. Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals, and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.

(2) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the employee.

(3) Total hours worked during the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request. When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

(B) Every employer who has control over wages, hours, or working conditions shall semimonthly or at the time of each payment of wages furnish each employee an itemized statement in writing showing: (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee's social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregated and shown as one item. (See Labor Code Section 226.) This information shall be furnished either separately or as a detachable part of the check, draft, or voucher paying the employee's wages.

(C) All required records shall be in the English language and in ink or other indelible form, dated properly, showing month, day and year. The employer who has control over wages, hours, or working conditions shall also keep said records on file at the place of employment or at a central location for at least three years. An employee's records shall be available for inspection by the employee upon reasonable request.

2. Facts

Defendants' policies and/or practices of failing to pay regular and overtime wages calculated at the proper rate of pay, failing to pay meal and rest period premiums, and failing to include all required and accurate information on the wage statements have caused Last and the other Aggrieved Employees to suffer and they will continue to suffer actual economic harm from the violations set forth above in that they have been, and will continue to be, precluded from accurately monitoring the wages to which they are entitled, have been required to retain counsel and other experts or consults to evaluate and calculate unpaid wages, and have suffered delays in receiving the wages and interest that are due and owing to them.

By willfully failing to maintain the records required by California Labor Code Section 1174(c), or accurate and complete records required by Section 1174(d), Defendants are also liable for a civil penalty of \$500 for each violation.

I. Defendants violated Labor Code Sections 201 and 202.

1. Applicable Law

California Labor Code Section 201 provides:

If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately...

California Labor Code Section 202 provides:

If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

2. Facts

Defendants violated Section 201 as to Last and other Aggrieved Employees who were discharged by willfully failing to timely pay the wages earned and unpaid upon the termination of their employment, including unpaid wages for regular hours worked, unpaid overtime, and/or unpaid meal and/or rest period premiums.

Defendants violated Section 202 as to Aggrieved Employees who quit by willfully failing to timely pay the wages earned and unpaid upon the termination of their employment, including unpaid wages for regular hours worked, unpaid overtime, and/or unpaid meal and/or rest period premiums.

J. Defendants violated Labor Code Section 203.

1. Applicable Law

California Labor Code Section 203 provides:

(a) If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections **201**, 201.3, 201.5, 201.6, 201.8, 201.9, **202**, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days. An employee who secretes or absents themselves to avoid payment to them, or who refuses to receive the payment when fully tendered to them, including any penalty then accrued under this section, is not entitled to any benefit under this section for the time during which the employee so avoids payment. (Emphasis added.)

2. Facts

Defendants violated Section 203 as to Last and other Aggrieved Employees by failing to pay the wages owing to them thereunder. Defendants' failure to pay all final wages due was willful within the meaning of Labor Code Section 203.

K. Defendants violated Labor Code Section 204.

1. Applicable Law

California Labor Code Section 204 provides in relevant part:

[L]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month.

California Labor Code Section 210 provides in relevant part:

[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee as provided in sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, and 1197.5, shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee” and (2) For each subsequent violation or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amounts unlawfully withheld.

2. Facts

At all relevant times, Last and Aggrieved Employees were Defendants’ employees (including joint employees) and covered by Labor Code section 204 and applicable Wage Orders.

In the one-year before the initiation of this Action through the present, Defendants employed policies and practices that resulted in, at times, not paying Last and Aggrieved Employees in accordance with Labor Code section 204 and they therefore seek penalties in the amount of \$100 for each initial violation and \$200 for each subsequent violation.

Pursuant to Labor Code 218.6, Code of Civil Procedure section 1021.5 and 1032, and Civil Code section 3287, Plaintiffs and class members are entitled to recovery of penalties, interest, and their costs of suit, as well.

L. Defendants violated Labor Code Section 2802.

1. Applicable Law

California Labor Code Section 2802 provides in relevant part:

an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties . . .

2. Facts

Defendants required Last and Aggrieved Employees to incur, at times, necessary expenditures or losses in direct consequence of the discharge of their duties or at the obedience to the directions of Defendants that included, without limitation: using cellular phones for work-related purposes, but Defendants failed and refused to reimburse them for those losses and/or expenditures, and as a result of Defendants’ unlawful conduct, they have suffered damages in an amount subject to proof, to the extent that they were not reimbursed for the herein-described losses and/or expenditures.

V. DEFENDANTS ARE LIABLE FOR PENALTIES PURSUANT TO THE PAGA.

By virtue of Defendants' violations, Defendants are liable for penalties pursuant to Labor Code Sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1197, 1197.1, 2802, and 2699(f). *inter alia*.

Exhibit 2

Salary Table 2025-DCB
Incorporating the 1.7% General Schedule Increase and a Locality Payment of 33.94%
For the Locality Pay Area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA
Total Increase: 2.22%
Effective January 2025

Annual Rates by Grade and Step

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	\$ 29,949	\$ 30,954	\$ 31,949	\$ 32,941	\$ 33,935	\$ 34,516	\$ 35,502	\$ 36,495	\$ 36,535	\$ 37,463
2	33,675	34,476	35,592	36,535	36,945	38,031	39,117	40,203	41,290	42,376
3	36,745	37,969	39,194	40,418	41,642	42,866	44,090	45,315	46,539	47,763
4	41,247	42,622	43,998	45,374	46,749	48,125	49,500	50,876	52,251	53,627
5	46,148	47,685	49,223	50,761	52,298	53,836	55,373	56,911	58,449	59,986
6	51,442	53,157	54,871	56,586	58,300	60,014	61,729	63,443	65,158	66,872
7	57,164	59,070	60,976	62,882	64,788	66,694	68,600	70,506	72,412	74,318
8	63,307	65,418	67,529	69,639	71,750	73,861	75,972	78,083	80,194	82,305
9	69,923	72,254	74,584	76,915	79,246	81,576	83,907	86,237	88,568	90,898
10	77,001	79,567	82,133	84,700	87,266	89,832	92,399	94,965	97,531	100,097
11	84,601	87,420	90,239	93,059	95,878	98,698	101,517	104,337	107,156	109,975
12	101,401	104,781	108,162	111,543	114,923	118,304	121,684	125,065	128,446	131,826
13	120,579	124,599	128,619	132,638	136,658	140,677	144,697	148,716	152,736	156,755
14	142,488	147,238	151,987	156,737	161,486	166,236	170,985	175,735	180,484	185,234
15	167,603	173,190	178,776	184,363	189,950	195,200 *	195,200 *	195,200 *	195,200 *	195,200 *

* Rate limited to the rate for level IV of the Executive Schedule (5 U.S.C. 5304 (g)(1)).

Applicable locations are shown on the 2025 Locality Pay Area Definitions page:

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2025/locality-pay-area-definitions/>

Exhibit 3

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/24- 5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., DL v. District of Columbia, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $\frac{1}{2}$ Years Out of Law School $\frac{1}{2}$ is calculated from June 1 of each year, when most law students graduate. $\frac{1}{2}$ 1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $\frac{1}{2}$ 4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $\frac{1}{2}$ 1-3" from June 1, 1996 until May 31, 1999, would move into tier $\frac{1}{2}$ 4-7" on June 1, 1999, and tier $\frac{1}{2}$ 8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

Exhibit 4

Salary Table 2025-LA
Incorporating the 1.7% General Schedule Increase and a Locality Payment of 36.47%
For the Locality Pay Area of Los Angeles-Long Beach, CA
Total Increase: 2.17%
Effective January 2025

Annual Rates by Grade and Step

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	\$ 30,515	\$ 31,538	\$ 32,552	\$ 33,563	\$ 34,576	\$ 35,168	\$ 36,173	\$ 37,184	\$ 37,225	\$ 38,171
2	34,311	35,127	36,264	37,225	37,643	38,749	39,856	40,963	42,070	43,176
3	37,439	38,687	39,934	41,181	42,429	43,676	44,923	46,171	47,418	48,665
4	42,026	43,427	44,829	46,231	47,632	49,034	50,435	51,837	53,238	54,640
5	47,019	48,586	50,153	51,719	53,286	54,853	56,419	57,986	59,553	61,119
6	52,414	54,161	55,908	57,654	59,401	61,148	62,895	64,642	66,389	68,135
7	58,244	60,186	62,128	64,070	66,012	67,954	69,896	71,838	73,780	75,722
8	64,503	66,653	68,804	70,955	73,106	75,256	77,407	79,558	81,709	83,859
9	71,244	73,619	75,993	78,368	80,742	83,117	85,492	87,866	90,241	92,615
10	78,455	81,070	83,685	86,300	88,914	91,529	94,144	96,759	99,373	101,988
11	86,199	89,071	91,944	94,817	97,689	100,562	103,435	106,307	109,180	112,053
12	103,316	106,760	110,205	113,649	117,094	120,538	123,983	127,427	130,872	134,317
13	122,857	126,953	131,048	135,144	139,239	143,334	147,430	151,525	155,621	159,716
14	145,180	150,019	154,858	159,697	164,536	169,376	174,215	179,054	183,893	188,733
15	170,769	176,461	182,153	187,845	193,538	195,200 *	195,200 *	195,200 *	195,200 *	195,200 *

* Rate limited to the rate for level IV of the Executive Schedule (5 U.S.C. 5304 (g)(1)).

Applicable locations are shown on the 2025 Locality Pay Area Definitions page:

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2025/locality-pay-area-definitions/>

Exhibit 5

Analysis **Lawyer Rates and Arrangements**

Senior Partners Approach \$3,000 an Hour, As More Billing Rate Hikes Expected in 2025

September 24, 2024 By  **Mimi Lamarre**

 **Andrew Maloney**

What You Need to Know

- More big firms are going to approach hourly rates of \$3,000 for partners and \$1,000 for associates, according to new data from Valeo Partners.
- Am Law 25 to 30 firms will have standard rate increases of 10% to 13% in the new year, per the data.
- An increase in M&A activity, fierce competition for lateral partners and firm mergers are helping to push up rates, observers say.



Credit: Lemonsoup14/Adobe Stock

Some Am Law 50 firms will increase billing rates substantially in 2025, with expectations that some senior partners will approach \$3,000 an hour and more associates will bill over \$1,000 an hour.

More demand in M&A and transactional practices, as well as law firm mergers and increasing demand to pay top-performing talent, are pushing billing rates higher, some observers say.

According to data from Valeo Partners, which analyzes public disclosure documents to discern upcoming rate changes, senior partners at "a few firms" will have standard rates approaching \$3,000, and a few might exceed that marker.

Valeo Partners declined to name the firms. However, some recent bankruptcy fee packages reveal some firms are close to the \$3,000 mark already. Wilson Sonsini Goodrich Rosati billed \$2,720 an hour this year for top partners in the Rite-Aid bankruptcy. McDermott Will & Emery was charging top partners out at \$2,590 hourly at the end of 2023 in the Mountain Express Oil Co. bankruptcy.

More firms will reveal their 2025 rate increases in bankruptcy court toward the end of the year.

In the Am Law 25 to 30 as a whole, Chuck Chandler, the CEO of Valeo Partners, projected that in 2025, there will be standard rate increases of about 10% to 13%.

The expected rate hikes represent an increase from 2023, when a cohort of 10 Am Law 50 firms announced rate increases of between 8% and 10% in [bankruptcy court filings](#). The same group of firms raised rates between 10% and 15% in early 2023.

Standard billing rates are expected to increase in the Am Law 50 to \$2,100 for senior partners and \$1,900 for partners, per the Valeo data.

Rate increases are projected to be highest amongst senior partners, or those who have 25 years or more since their law school graduations, according to Chandler. Nine of the Am Law 50 firms currently have senior partner standard hourly rates of around \$2,400 to \$2,875, while 17 will be in that range by 2025, he said.

At the same time, discounts are not expected to increase, but, instead, will stay steady at around 12% to 13%, according to Valeo.

For associates, rate increases will be more notable among third-years. Currently, 16 of the Am Law 50 firms have third-year associates with rates over \$1,000, but Valeo projects around half of the Am Law 50 to have rates of over \$1,000 amongst this group by 2025.

Billing rates for first-year associates are approaching \$1,000 at a handful of firms, with Paul, Weiss, Rifkind, Wharton & Garrison charging a minimum of \$895 for associates in 2024, bankruptcy records show. Sullivan & Cromwell charges nearly as much—\$850 hourly—for first-years.

Sullivan & Cromwell and Paul Weiss also have among the top rates for senior associates, with associates maxing out at \$1,575 at Sullivan & Cromwell and \$1,560 at Paul Weiss.

Some of the rate increases won't even wait until 2024 — they are happening next month. Two large law firms in the Am Law 30, along with four other firms in the Am Law 200, will change their firm-wide hourly rates effective October 1, 2024, Chandler said, again declining to name which ones.

Overall, rate hikes will be most dependent "on what happens with M&A, because that's going to be a huge driver" of rate increases, said Chandler in an interview.

A spate of law firm mergers could also contribute to rate increases into next year, he said. As it stands, more law firm mergers, both domestically and across borders, are expected into 2025, as

firms compete harder than ever to scale.

Along similar lines, the cost of talent is also driving the billing rates calculus, as Big Law firms have zeroed in on high-profile, money-making lateral partners in 2024. Jennifer McIver, director of legal operations/industry insights for ELM Solutions and author of a report this month about law firm rate increases, noted the projected rates for partners and associates are not a surprise because of the cost now to retain and attract talent.

"In order to keep that profit margin you're going to have to have that retention [of talent], and the more people are willing to pay for it, the law firms are going to push for that," she said.

She said whether that trend breaks depends, at least in part, on whether corporate legal departments begin moving even more work to lower-cost firms or ask their firms to cap things like the rates they can charge for their associates' time. "So, it comes down to that push and pull," she said.

2024 Rate Growth

Firms are building off their rate hikes in the last year. According to Wells Fargo Legal Specialty Group's survey data, average standard rates rose by 8.8% year-over-year in the first half of 2024.

Rate growth continues to be the primary contributor to revenue growth, the bank said in August.

The report this month from Wolters Kluwer ELM Solutions also noted the median billing rate increase across the industry last year jumped from 1.9% to 4.0%, and that halfway through 2024, high-priced practices like finance and securities, real estate and corporate had notched mean rate increases of over 8%. The bankruptcy and collections practice area is trending with the highest increase, with a 2024 year-to-date mean rate increase of 10.4%, according to the report.

While there are "early signs" the pace of billing rate hikes writ-large may slow due to more active client pushback and transactional uncertainty, according to [another report last week](#), firms may also become even more reliant on those rates to maintain profitability in the event of an economic slowdown.

Dan Roe contributed to this report.

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Exhibit 6

***Scott Carney, Romein Martinez, Donovan Last and Michael Kaveler v. California Resources Corporation,
Geo Drilling Fluids, Inc., and M-I, LLC***
SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF KERN
Case No. BCV-15-101729

This Notice, which has been approved by the California Superior Court for the County of Kern (the “Court”), is to notify Class Members that a proposed settlement has been reached between the parties in the class action entitled *Scott Carney, Romein Martinez, Donovan Last and Michael Kaveler v. California Resources Corporation, Geo Drilling Fluids, Inc., and M-I, LLC* (“Settlement”). California Resources Corporation (“CRC”), Geo Drilling Fluids, Inc. (“Geo”), and M-I, LLC (“M-I”) are referred herein collectively as “Defendants” and together with Plaintiffs are referred to as “the Parties.” The Court has granted preliminary approval of the Settlement and has conditionally certified the classes for settlement purposes only. This is not a solicitation from a lawyer. Your legal rights are affected whether you act or don’t act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

EXCLUDE YOURSELF BY [DATE - 60 Days After Notice is Mailed].	If you exclude yourself, you won’t get a payment under the Settlement other than your share, if any, of PAGA civil penalties as described below. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims in this case. ¹
OBJECT IN WRITING BY [DATE - 60 Days After Notice is Mailed] AND GO TO FINAL APPROVAL HEARING	You can tell the Court why you don’t like the Settlement. To do this, you must send a written objection to the Claim Administrator.
SUBMIT BY [DATE - 60 Days After Notice is Mailed] TO DISPUTE YOUR EMPLOYMENT INFORMATION	If you believe that your employment information is incorrect, you must submit any corrections with supporting documentation, if you have any, such as pay stubs or other documents showing different employment dates.
DO NOT OBJECT NOR DISPUTE YOUR EMPLOYMENT INFORMATION AND RECEIVE YOUR SETTLEMENT PAYMENT	If you do nothing and the Settlement is approved, you will be become part of the Settlement Class and will be mailed a settlement check at the address in the Claim Administrator’s records. To receive a check, you must ensure that your address is kept up to date. Your payment will be based on calculations set forth in the Settlement agreement (as potentially modified during the Settlement administration and/or by order of the Court) which are based on records of CRC, Geo and/or M-I, unless you dispute that information and support your dispute with documentation.

IMPORTANT DATES

- If you wish to object to the Settlement, your objection must be postmarked, if mailed, or sent, if emailed or faxed, on or before [DATE - 60 Days After Notice is Mailed] or else your objections will be deemed waived.
- If you do not want to participate in the Settlement, you must submit a request for exclusion, postmarked, if mailed, or sent, if emailed or faxed, on or before [DATE - 60 Days After Notice is Mailed] or else you will be bound by the Settlement. If you submit a request for exclusion, you will **not** receive a share of the Settlement.

¹ Any CRC Class Member who received notice at the class certification stage and did not opt out will not receive a second opportunity to opt out of the CRC Class.

- If you want to submit a dispute regarding your employment information as shown in Defendants’ records, you must submit your dispute, postmarked, if mailed, or sent, if emailed or faxed, on or before **[DATE - 60 Days After Notice is Mailed]**.

All disputes, objections, and requests to be excluded from the Settlement must be submitted to the Claims Administrator, Simpluris, at the address, email, or fax below, and postmarked, if mailed, or sent, if emailed or faxed, by the applicable deadline:

Carney, et al. v. California Resources Corporation, et al.

c/o Simpluris

Tel. -----

Fax -----

Email: -----

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BASIC INFORMATION

What is this Settlement about?

On December 21, 2015, Plaintiff Scott Carney filed a Class Action Complaint in the Superior Court of the County of Kern, California against CRC and Geo, *inter alia*. On March 25, 2020, a First Amended Class Action Complaint was filed adding Romein Martinez as an additional Plaintiff. On March 9, 2021, a Second Amended Complaint was filed adding Donovan Last as an additional Plaintiff. On [DATE], Plaintiffs filed a Third Amended Complaint naming M-I as a defendant in the *Carney* Action and adding Michael Kaveler as a named plaintiff and Class Representative for the Last Class. The addition of Kaveler as a named Plaintiff and M-I as a defendant is intended to fully encompass the claims asserted against M-I in the action *Last v. M-I*, Case No. 1:20-cv-01205-KES-EPG, which is currently pending in the district court for the Eastern District of California, and to fully resolve the *Last* Action through this Settlement Agreement.² This Settlement agreement also resolves claims between and among the Defendants.³

Among other things, Plaintiffs allege that CRC, Geo, and M-I were the Class Members' joint employers and that each failed to pay the Class Members for all hours worked, failed to pay them the overtime to which they were entitled, failed to provide meal and rest periods, failed to provide legally compliant wage statements, and failed to pay all wages owed upon termination. Plaintiffs Carney and Last also allege claims under the PAGA.

CRC, Geo and M-I each deny all the Plaintiffs' allegations. CRC and M-I each further deny the allegations made against the other in their respective cross-complaints for indemnity.

The Court has made no final ruling on the merits of the claims or defenses in the lawsuit.

What is a class action?

A class action is a lawsuit in which the claims and rights of many similarly situated people ("class members") are decided in a single court proceeding. One or more representative plaintiffs ("class representatives") file a lawsuit asserting claims on behalf of all the class members.

² On May 20, 2020, Plaintiff Donovan Last filed a Class Action Complaint in the Superior Court of the County of Kern, California, against M-I, which M-I removed to the Eastern District of California. Named plaintiff Donovan Last sought to represent a class of all Drilling Fluid Specialists who were employed by or performed work for M-I in California during the four years preceding the filing of the complaint. The *Last* Action includes claims for failure to pay compensation due, meal and rest period violations, wage statement violations, failure to timely pay wages upon termination, violation of California Bus. and Prof. Code §§ 17200 *et seq.*, and penalties pursuant to the PAGA.

³ On April 7, 2022, Defendant CRC filed a Cross-Complaint against M-I. On October 5, 2022, CRC filed its First Amended Cross-Complaint. On February 21, 2023, CRC filed its Second Amended Cross-Complaint. On May 11, 2023, M-I filed its Cross-Complaint against CRC.

Why is there a settlement?

The Parties participated in extensive settlement discussions, including multiple mediations before neutral third-party mediators. Following mediation, the Parties reached the Settlement. The Settlement represents a compromise regarding disputed claims, considering the risks and uncertainties of continued litigation. Plaintiffs' counsel has determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Settlement Class.

Why am I receiving this notice?

You were sent this notice because the records of Defendants show that you are a member of the Class at issue in this Settlement.

The **CRC Class** includes: All persons who, at any time from December 29, 2011 through November 27, 2021 worked at any of the drill sites operated by California Resources Corporation, including the California operations of California Resources Production Corporation (formerly known as Vintage Production California LLC), California Resources Petroleum, LLC (formerly known as Vintage Petroleum LLC) OXY USA, Inc. and Occidental Petroleum Corporation and all other former California operations of Occidental Petroleum Corporation and its affiliates (collectively "CRC") in California in job positions titled Drilling Fluid Specialist (mud man, Levels I-IV and mud man Senior), mud engineer, mud man Trainee, mud man consultant, and/or equivalent job titles who were employed by CRC or who were provided by GEO Drilling Fluids, Inc. or M-I LLC to CRC to provide drilling fluids related services and who have not released CRC from the claims in the *Carney* Action for all periods during the CRC Covered Period. These individuals are listed in the Settlement agreement under the table titled "CRC Class." The Settlement agreement is posted on the website.

The **Last Class** includes: All persons who, at any time from May 20, 2016 through July 4, 2020 worked in California in job positions titled Drilling Fluid Specialist (mud man, Levels I-IV and mud man Senior), mud engineer, mud man Trainee, mud man consultant, and/or equivalent job titles who were employed by M-I or who were provided by M-I to any of M-I's customers other than CRC to provide drilling fluids related services and who have not released M-I from the claims in the *Last* Action for all periods during the Last Covered Period. These individuals are listed in the Settlement agreement.⁴

Class Members who do not timely submit a valid request to exclude themselves from the Settlement, following the procedure described below shall become members of the Settlement Class and shall be entitled to participate in the Settlement.

The *Carney* PAGA Period is from November 18, 2014, through November 27, 2021.

The *Last* PAGA Period is from May 20, 2019, through July 4, 2020.

THE SETTLEMENT BENEFITS

What does the Settlement provide?

Under the Settlement, Defendants will pay \$18,000,000. These settlement funds will be used to pay (1) service payments to Plaintiffs to compensate them for their services to the Settlement Class; (2) class counsel's attorney's fees and costs to compensate them for their services to the Settlement Class; (3) the reasonable fees and expenses of the Claims Administrator; (4) The release of Plaintiff Romein Martinez for his participation in the action; (5) The release of Plaintiff Scott Carney's wrongful termination claim against Defendant Geo Drilling Fluids, Inc.; (6) money to all Class Members who do not opt-out of the Settlement, pursuant to the plan of allocation; (5) payment to the Labor and Workforce Development Agency ("LWDA") in connection with the settlement of the PAGA Employees' claims under the PAGA, and (6) money to PAGA Employees.⁵

⁴ Because of the way these classes are defined, you may be a member of one or both classes.

⁵ PAGA employees are Class Members who provided services to CRC in California during the *Carney* PAGA Period and/or to M-I in California during the *Last* PAGA Period.

HOW YOU GET A PAYMENT

How can I get a payment?

You don't need to take any action to receive money from the Settlement. However, if you have recently moved or plan to move in the future and the Defendants do not have your most recent address, make sure to contact the Claims Administrator to provide your most recent address. This is important because the address on file will be used for the distribution of checks.

How will my settlement payment be calculated?

Under the Settlement, Defendant will pay up to \$18,000,000 (the "Maximum Gross Settlement Amount"). These settlement funds will be used to pay (a) the Class Representative Payments to Plaintiffs Scott Carney, Donovan Last and Michael Kaveler in the amount of up to \$10,000 each; (b) Class Counsel's attorney's fees in an amount up to \$6,000,000 (approximately 33-1/3% of the Gross Settlement Amount) incurred or to be incurred in the Settlement of the Action, and any appeals; (c) costs and expenses associated with the Action in an amount of up to \$200,000 incurred or to be incurred in the Settlement of the Action, and any appeals; (d) the fees and expenses of the Claims Administrator, estimated at \$10,711; (e) a PAGA Payment of \$500,000, 75% of which will be remitted to the Labor Workforce Development Agency and 25% of which will remain available as part of the payment to PAGA Members; (f) A payment of \$10,000 to Plaintiff Romein Martinez for his participation in the action; (g) a payment of \$20,000 to Plaintiff Scott Carney for his wrongful termination claim against Defendant Geo Drilling Fluids, Inc.; (h) the remainder of approximately \$11,229,289 (which does not include the \$125,000 from the PAGA payment available to PAGA Employees as indicated above) is the Net Settlement Amount to all Class Members pursuant to the plan of allocation and will be used to pay the claims of Participating Class Members. Participating Class Members are those members of the Class who have not requested to be excluded.

The amounts calculated by Plaintiffs' expert and the settlement share distributions can be found in the Settlement agreement posted on the website.

In terms of the estimate of your individual share of the Class Action settlement payments, the preliminary calculations from the relevant records indicate that you worked ----- workweeks during the relevant Class Period(s) and that your share of the Class settlement will be -----.

In terms of the estimate of your individual settlement share of the PAGA settlement payment, the preliminary calculations from the relevant records indicate that you worked ----- workweeks during the relevant PAGA Period(s) and that your share of the PAGA settlement will be -----.

These amounts could change during the administration of this Settlement because of certain events including but not limited to other Class Members being excluded from or opting out of the settlement or court ordered changes related to the approval or disapproval of certain terms or conditions of the settlement.

The PAGA Payment represents Labor Code section 2699 penalties, and 75% of the PAGA Payment will be paid to the LWDA and 25% will be paid to PAGA Employees as individual PAGA payments, unless the Court determines otherwise. Each PAGA Employee shall be entitled to a share of the 25% of the PAGA Payment based upon the number of pay periods (*i.e.*, one-week periods beginning on Sunday and ending on Saturday) during which the PAGA Employee worked during the PAGA Period(s) as a numerator and the total number of pay periods during which all PAGA Employees worked during the PAGA Period as the denominator, which percentage shall be multiplied by 25% of the PAGA Payment.

The information above is based on the records of CRC, Geo and/or M-I. If you believe that any of this information is incorrect, you must submit any corrections with supporting documentation, if you have any, such as wage statements, and they must be postmarked, if mailed, or sent, if emailed or faxed, to the Claims Administrator on or before **[DATE - 60 Days After Notice is Mailed]**. Challenges will be resolved by the Claims Administrator without a hearing. A correction postmarked or sent via fax or email later than this deadline will not be accepted absent good cause shown. These corrections must be mailed, faxed, or emailed to the Claims Administrator at:

Carney, et al. v. California Resources Corporation, et al.
c/o Simpluris
Tel. -----
Fax -----
Email: -----

For tax purposes, 10% of the portions of the individual payments to the Participating Class Members will be treated as wages. For the remaining 90% of the individual payments to the Participating Class Members and for the payment to the PAGA Employees, said amount will be treated by the Parties as additional, non-wage damages and interest will not be subject to payroll withholdings and shall be reported on an IRS Form 1099, divided evenly between Box 3 and Box 7, which is to be provided by the Settlement Administrator. The portions of the individual payments to the Participating Class Members that will be treated by the Parties as wages will be subject to applicable payroll withholdings and shall be reported on an IRS Form W-2, which is to be provided by the Settlement Administrator. Defendants have agreed between themselves to separately pay, in addition to the Gross Settlement Amount, employer-side payroll taxes with respect to the 10% allocated to wages.

The individual PAGA Payments are considered penalties and will not be subject to local, state, or federal tax withholdings. All PAGA Employees who cash their settlement checks will receive an IRS Form 1099 from the Settlement Administrator reflecting these payments.

When will I get my payment?

The Parties have presented the Settlement to the Court for its review. The Court has granted preliminary approval to the Settlement. As described in this Notice, the Court will hold a hearing on [DATE], 2025 in Department H, at the Superior Court for the County of Kern, located at 1215 Truxtun Ave., Bakersfield, CA 93301 to determine (1) whether the proposed Settlement should be approved as fair, reasonable and adequate to settlement Class Members; (2) whether the application for attorney's fees and costs should be approved; and (3) whether the application for the class representative service payments, payment to Plaintiff Martinez for his general release, payment to Plaintiff Carney for the release of the wrongful termination claim against Defendant Geo Drilling Fluids, Inc., payment to the LWDA, and payment to the Class Administrator should be approved. If the Court approves the Settlement, an order granting final approval will be entered. It is neither required nor necessary that you attend the final approval hearing.

After the expiration of the Effective Date⁶, the Claims Administrator will mail checks to all Participating Class Members. It is expected that checks will be mailed out sometime in [Insert Month], 2025, but that date is subject to change.

All checks not cashed within 180 days of payment will be cancelled and the funds remitted to the California State Bar Impact Fund.

Taxes

Consult your tax advisor with any questions about the tax consequences of any payments you receive. Any perceived tax advice in this Notice is not intended or written to be used, and it cannot be used by any recipient, for the purpose of avoiding any tax penalties that may be imposed. This Notice imposes no limitation on the disclosure of the tax treatment or tax structure of any transaction. Neither Plaintiffs' counsel nor Defendants' counsel can give you tax advice.

WHAT CLAIMS AM I RELEASING IF I REMAIN IN THE CLASS?

As of the date the final approval order is entered by the Court, each Class Member who does not timely file a request for exclusion from the Settlement in accordance with the section below, will release claims as follows:

As to Released Parties, Participating Class Members will release all claims, rights, debts, charges, complaints, liens, liabilities, obligations, demands, actions and causes of action for wages, statutory and civil penalties, business expenses, damages, liquidated damages, restitution, injunctive relief, premiums, interest, fees and costs, under any theory under the law, including, without limitation, statutory, constitutional, contractual or common law claims, of any jurisdiction, that were alleged or that could have been alleged based upon the factual allegations in the operative complaints in the *Carney* Action and/or the *Last Action* whether such claims are known claims or Unknown Claims as defined below, whether in law

⁶ The Settlement Agreement shall be effective upon the later of the following: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters a Final Approval Order; (b) if an objection is filed and not withdrawn, the date for filing an appeal, writ, or other appellate proceeding and no such appeal, writ, or other appellate proceeding being filed; (c) if any timely appeals, writs, or other appellate proceedings are filed, the date of the resolution (or withdrawal) of any such appeal, writ, or other appellate proceeding in a way that does not alter the terms of the settlement, provided there are no rights to pursue further remedies or relief; (d) the date the U.S. District Court enters an order dismissing and closing the Last Action with prejudice.

or equity, whether or not concealed or hidden, asserted or unasserted during the respective Covered Periods, including but not limited to all claims asserted in either Action for: (1) failure to pay all compensation due, including minimum wage and overtime pay, and failure to provide one day's rest in seven days; (2) failure to provide compliant meal breaks or pay premiums in lieu; (3) failure to provide compliant rest breaks or pay premiums in lieu; (4) failure to furnish accurate itemized wage statements and failure to keep accurate records; (5) failure to pay wages timely upon separation; (6) failure to pay wages timely during employment; (7) failure to indemnify business expenses; and (8) violation of Business and Professions Code section 17200, *et seq.*, against the Released Parties.

Claims for workers' compensation, discrimination, disability, unemployment, wrongful termination, claims outside the CRC Covered Period or outside the Last Covered Period, claims under a pension plan, profit plan, 401k plan, other employee benefit plans and claims that cannot be released by law are not released.

Unknown Claims as they relate to any Class Member who does not opt out of the Settlement Agreement include any claims about which the Class Member is not aware that were alleged or that could have been alleged based upon the facts alleged in the Action. If a Class Member later learns of such Unknown Claims, he or she will not be able to obtain any remedy. In this regard, Class Members who do not opt out of the Settlement Agreement waive the benefit of California Civil Code Section 1542 as to any claims that were alleged or that could have been alleged based upon the facts alleged in the Action, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

"Released Parties" include each of the Defendants and each of their current, past, and future predecessors and successors, parents, customers, subsidiaries, affiliates, joint ventures, and all of its and those entities' current, past, and future officers, directors, divisions, managing agents, consultants, employees, executors, fiduciaries, members, partners, legal representatives, lien holders, partners, shareholders, suppliers, trustees, successors in interest, joint venturers, heirs, assigns, agents, attorneys, and insurers, as well as any third party acting, or alleged to have acted, on each Defendant's behalf.

PAGA Employees have no optout rights as to the settlement of the PAGA Claims. Accordingly, upon the effective date of the Settlement agreement, Donovin Last and Scott Carney, on behalf of themselves, the State of California, and all PAGA Employees waive, fully release, and forever discharge the Released Parties from the PAGA Claims.

EXCLUDING YOURSELF FROM THE SETTLEMENT

How do I exclude myself from the Settlement?

If you fall within the Class definition set forth above, you are a Class Member and will be bound by the Settlement's release of claims, unless you elect to be excluded. Any CRC Class Member who received notice at the class certification stage and did not opt out will not receive a second opportunity to opt out of the CRC Class. Any person who did not receive notice but receives notice now in connection with this Settlement Agreement shall have the option of opting out. If you elect to be excluded, you will **not** receive any money from the Settlement, will not be bound by the Settlement, including its release of claims, and will be free to pursue your own claim against Defendants. To be excluded, you must ***timely*** submit a signed and dated request for exclusion. A request for exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. All requests for exclusion must be sent via fax, email, U.S. Mail, or professional or personal delivery to the Claims Administrator at:

Carney, et al. v. California Resources Corporation, et al.
c/o **Simpluris**

Tel. -----

Fax -----

Email: -----

All requests for exclusion must be postmarked, if mailed, or sent, if emailed or faxed, on or before **[DATE -60 Days After Notice is Mailed]**. You cannot exclude yourself by phone.

Every Class Member who does not submit a timely and valid request for exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits, and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Section X of the Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. However, Class Members who submit a valid Request for Exclusion will nevertheless be bound by the settlement and release of PAGA claims in the Settlement to the extent they are a PAGA Employee as defined in the Agreement and will be mailed a payment for their Individual PAGA Payment in settlement of the PAGA Claims pursuant to the terms of this Agreement. Because no opt-out rights exist as to the settlement of the PAGA Claims pursuant to this Settlement, and the Released PAGA Claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are PAGA Employees release the claims identified in Section II of the Agreement, which is posted on the website. If a Class Member submits both a request for exclusion and an objection, only the request for exclusion will be accepted, and the objection will be void.

If I don't exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from this Class to continue those parts of any lawsuit you have pending that include the legal issues released by this Settlement.

If I exclude myself, can I get money from this Settlement?

No. If you exclude yourself, you will not receive any money from this settlement other than your share, if any, of the PAGA Payment as described above.

Can Defendants retaliate against me because of what I do in response to this notice?

No. If you are a current employee of Defendants, your decision as to whether or not to participate in this Settlement will in no way affect your employment. It is unlawful for Defendants to take any adverse employment action against you because of your decision whether or not to participate in this Settlement.

THE LAWYERS REPRESENTING YOU

Do I have a lawyer in this case?

The Court has approved the law firms of The Blanchard Law Group, APC, Peter R. Dion-Kindem, P.C., and The Holmes Law Group, APC, as Class Counsel. Their contact information is:

The Blanchard Law Group, APC
177 East Colorado Boulevard, Suite 200
Pasadena, California 91105
Telephone: (213) 599-8255
Email: lonnieblanchard@gmail.com

The Dion-Kindem Law Firm
Peter R. Dion Kindem, P.C.
3856 Davids Road
Agoura Hills, CA 91301
Telephone: 818.883.4900
Email: peter@dionkindemlaw.com

Holmes Law Group

1613 Chelsea Rd Pmb 238,
San Marino, CA 91108
Telephone: 310-396-9045
Email: jeffholmesjh@gmail.com

How will the lawyers be paid?

Class Counsel will request that the Court approve a payment of up to \$6,000,000 of the Gross Settlement Amount in fees to compensate them for their time and effort in bringing this case and that it award them up to \$200,000 to reimburse them for the out-of-pocket costs and expenses they have incurred during the litigation. These amounts will come out of the Gross Settlement Amount of \$18,000,000. Class Counsel believe the attorneys' fees and costs requested are fair and reasonable, and Defendants have agreed not to oppose the request. These fee and cost payments will be paid only if the Court approves them.

Service Awards and Individual Settlement Payments

Class Counsel will also request that the Court approve Service Awards and Individual Settlement Payments of up to Fifteen Thousand Dollars (\$10,000.00) for each of the representative plaintiffs: Scott Carney, Donovan Last, and Michael Kaveler. This amount is in recognition of the service performed by them in representing the Classes and advancing the litigation. This payment will be paid in addition to any payments they receive as Class Members. The Class Representative Payments will be paid only if the Court approves them.

Plaintiff Scott Carney's Wrongful Termination Payment

Plaintiff Scott Carney will receive an amount of \$20,000 for the release of his wrongful termination claim against Defendant Geo Drilling Fluids, Inc.

Plaintiff Romein Martinez's General Release

Plaintiff Romein Martinez will receive an amount of \$10,000 for his participation in this action and execution of a general release of his claims.

OBJECTING TO THE SETTLEMENT

How do I tell the Court that I don't like the Settlement?

You may object to the Settlement by submitting a written objection. To be valid and effective, any objections must be postmarked, if mailed, or sent, if emailed or faxed, on or before **[DATE -60 Days After Notice is Mailed]**. The objection need not be in any specific form; a short and simple statement of your objection is sufficient. You may, but do not have to, be represented by your own attorney to object. If you comment through an attorney, you will be solely responsible for the attorney's fees and costs.

If you appear at the final approval hearing to make a spoken objection without having submitted a written objection, you will be treated as having waived that objection.

Any Class Member who does not object before the final approval hearing will be deemed to have approved the Settlement and to have waived such objections and shall not be able to make any objections (by appeal or otherwise) to the Settlement.

What is the difference between objecting and excluding myself?

Objecting is simply telling the Court that you don't like something about the Settlement. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself by submitting a timely written exclusion, you have no right to object because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing on [DATE], 2025, at [TIME], in **Department H of the Kern County Superior Court, 1215 Truxtun Ave., Bakersfield, CA 93301** before the Honorable Bernard C. Barmann, Jr. to determine whether the Settlement should be finally approved. The Court will also be asked to approve the Class Representative Payments and Class Counsels' request for the Attorney's Fees and Costs Payment. The hearing may be postponed without further notice to the Class. It is not necessary for you to appear, but you may appear at your own expense.

Do I have to come to the hearing?

No. If you agree to the Settlement or sent an objection, you don't have to come to Court to talk about it. If you are an objector, so long as you mailed your written objection on time as described above, the Court will consider it. However, you may attend and speak, or you may also retain your own lawyer to attend.

May I speak at the hearing?

You may appear at the final approval hearing set for [DATE/TIME] in in Department H of the Kern County Superior Court, 1215 Truxtun Ave., Bakersfield, CA 93301 and ask the Court for permission to speak at the hearing. You cannot speak at the hearing if you excluded yourself and are not a Class Member.

This Notice provides only A summary

This Notice provides only a summary of the basic terms of the Settlement. For the precise terms of the Settlement, you are referred to the Joint Stipulation of Class Settlement and Class Settlement Agreement and Release and Amendment ("Joint Stipulation"), which is on file with the Clerk of the Court. The pleadings and other records in this litigation, may also be examined in person at any time during regular business hours with the Clerk of Court **Kern County Superior Court, 1215 Truxtun Ave., Bakersfield, CA 93301**, or Online by going to <https://www.kern.courts.ca.gov>. You can also access the records at the Claim Administrators' website at [INSERT URL]. **Please do not telephone the court or Defendants' counsel.**

Questions

If you have questions about settlement payouts, updating your address, how your settlement was calculated or anything else about the Settlement, you may contact the Claims Administrator at (---) -----. If you would like to speak with an attorney, contact Class Counsel as set forth above.

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Declaration of Lonnie C. Blanchard III in Support of Motion for Preliminary Approval of Class Action Settlement

See below service list

xxx **(By Email)** Based on a court order, Rules of Court, or an agreement of the parties to accept electronic service, I caused the documents to be sent to the person(s) at the email addresses set forth above.

(By Personal Service)

I delivered such envelope by hand to the offices of the addressee pursuant to Code of Civil Procedure Section 1011.

Kale Mout

Kale M. Morita

Service List

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