HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Andrew J. Rowbotham (SBN 301367)
arowbotham@haineslawgroup.com
Susan J. Perez (SBN 329044)
sperez@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN JOAQUIN

JOSHUA D. HODGES, as an individual and on behalf of all others similarly situated, Plaintiff, vs. CALIFORNIA TRUCK CENTERS, LLC, a California Limited Liability Company; DELTA TRUCK CENTER, a California Company; and DOES 1 through 100, Defendants.	CASE NO. STK-CV-UOE-2022-0000168 [*Case assigned for all purposes to the Hon. George J. Abdallah, Dept. 10A*] **DECLARATION OF ANDREW J. ROWBOTHAM IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Action Filed: January 10, 2022 Trial Date: None Set

BOKHOUR LAW GROUP, P.C.
Mehrdad Bokhour, Esq., CA Bar No. 285256
mehrdad@bokhourlaw.com
Anwar D. Burton, Esq., CA Bar No. 253504
anwar@bokhourlaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

FALAKASSA LAW, P.C.
Joshua S. Falakassa, CA Bar No. 295045
josh@falakassalaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

OTKUPMAN LAW FIRM, A LAW CORPORATION
Roman Otkupman, CSBN 249423
Roman@OLFLA.com
Nidah Farishta, CSBN 312360
Nidah@OLFLA.com
5743 Corsa Ave., Suite 123
Westlake Village, CA 91362
Telephone: (818) 293-5623
Facsimile: (888) 850-1310

Attorneys for Plaintiffs

DECLARATION OF ANDREW J. ROWBOTHAM

I, Andrew J. Rowbotham, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for the named Plaintiffs Joshua D. Hodges and Daniel Vogel ("Plaintiffs") in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2014 graduate of Pepperdine University School of Law and was admitted to the California State Bar in December 2014. Since that time, I have practiced exclusively in the area of plaintiff's employment litigation. From October 2014 to May 2015, I worked as an associate at the Mesriani Law Group, an employment law firm in Santa Monica, California. The vast majority of my work focused on representing employees in wage and hour and wrongful termination actions. Although non-exhaustive, the type of work I performed included: conducting client intakes; performing pre-filing research and analysis; drafting complaints and letters to the Labor & Workforce Development Agency; attending court hearings; corresponding with opposing counsel; drafting and responding to written discovery; analyzing payroll and timekeeping records and employee handbooks; drafting complaints and mediation briefs; attending mediations; and drafting long-form settlement agreements.

3. Since April 2016, I have worked at my current firm, Haines Law Group, APC. I am currently involved with approximately fifty (50) active wage and hour class actions, including a number of "hybrid" actions asserting nationwide wage and hour claims under the Fair Labor Standards Act, as well as California-specific claims under Rule 23 of the Federal Rules of Civil Procedure.

4. The following is a non-exhaustive list of wage and hour class action settlements in which I have been named as Class Counsel and awarded attorney's fees following a lodestar cross-check including my applicable hourly rates as approved by the courts:

- *Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No. BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding (approving an hourly rate of $400 for work performed in 2018 and 2019);
- *Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of $425 for work performed in 2018, 2019, and 2020);
- *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly rate of $425 for work performed from 2017-2020); and
- *Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed in 2019 and 2020).
- *Fishback v. J.D. Miller Construction Inc.*, Case No. CIVDS1906611, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed from 2019-2021).
- *Teeba v. Brill, Inc.*, Case No. CIVDS1923242, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed from 2019-2021).
- *Gonzalez v. Precision Hospitality & Development, LLC*, Case No. 30-2020-01127597-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of $450 for work performed in 2020 and 2021).
- *Vides v. Celoseal Roofing, Inc.*, Case No. 30-2020-01162478-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of $475 for work performed from 2020-2022).
- *Qawas v. Socal Framing, Inc.*, Case No. RIC1902588, Riverside County Superior Court, Honorable Sunshine S. Sykes, presiding (approving an hourly rate of $475 for work performed from 2019-2022).

- *Nelson v. Santini Foods, Inc.*, Case No. RG21090890, Alameda County Superior Court, Honorable Evelio Grillo, presiding (approving an hourly rate of $475 for work performed in 2021 and 2022).
- *Zuniga v. Sonar Inc.,* Case No. 30-2019-01117310-CU-OE-CXC, Orange County Superior Court, Honorable Peter Wilson, presiding (approving an hourly rate of $575 for work performed from 2019-2023).
- *Gonzalez v. Guardian Industries LLC*, Case No. 19CECG02134, Fresno County Superior Court, Honorable Jonathan M. Skiles, presiding (approving an hourly rate of $575 for work performed from 2019-2023).
- *Sanchez v. Dutton Home Services, LLC*, Case No. 22STCV01834, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of $575 for work performed from 2022-2023).
- *Ramirez v. Wyndham Vacation Ownership, Inc.,* Case No. 20CV01715, Santa Barbara County Superior Court, Honorable James F. Rigali, presiding (approving an hourly rate of $650 for work performed from 2020-2024).

5. I have also been named as Class Counsel for the certified class following a contested class certification motion in the following case:

- *Staublein v. Wells Fargo Bank, National Association,* Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class).

6. In March 2023, I served as trial counsel for the plaintiff and the aggrieved employees in the matter of *Abraham Taduran v. James R. Glidewell, Dental Ceramics, Inc. dba Glidewell Laboratories*, Case No. 30-2017-00934037-CU-OE-CXC, Orange County Superior Court, Honorable William Claster presiding, which was a case brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq*., that resulted in a six-figure verdict in favor of the aggrieved employees.

7. In addition to the above cases, I also play a lead role in many of my firm's current wage and hour class actions. The scope of my involvement includes but is not limited to:

corresponding with opposing counsel; attending court hearings; drafting and responding to written discovery; taking and defending depositions; negotiating and drafting long-form settlement agreements; attending mediations; and drafting motions for preliminary and final approval.

8. Between 2020 and 2025, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

9. Defendants are commercial dealers of new and used medium and heavy-duty trucks with multiple locations across California. Plaintiff Joshua D. Hodges worked for Defendants as a non-exempt employee from January 22, 2018, to approximately September 2021. Plaintiff Daniel Vogel worked for Defendants as a non-exempt employee beginning on approximately November 27, 2015. Like all Settlement Class Members, Plaintiffs were subject to Defendants' allegedly unlawful wage and hour policies and practices.

10. On January 10, 2022, Plaintiff Hodges filed this class action complaint alleging that Defendants failed to pay all overtime wages, provide all lawful meal periods, authorize and permit all lawful rest periods, reimburse necessary business expenses, issue accurate itemized wage statements, timely pay all final wages, and violated California's Unfair Competition Law. Plaintiff amended the complaint on February 2, 2022, to add causes of action for failure to pay all minimum wages and unlawful deductions, and on June 9, 2022, to add a cause of action for civil penalties under the PAGA.

11. On February 14, 2023, Plaintiff Vogel filed a related class action in Alameda County Superior Court, titled *Daniel Vogel v. Golden Gate Freightliner, Inc., et al.*, Case No. 23CV027835 ("Vogel Action"), asserting substantially similar claims based on the same alleged violations. In addition to the claims asserted by Plaintiff Hodges, Plaintiff Vogel alleged that Defendants failed to timely pay employees at least twice per month and failed to provide a safe and healthy work environment.

12. On January 16, 2025, Plaintiffs filed the operative third amended class and representative action complaint, naming Vogel as an additional plaintiff and incorporating all claims and factual allegations from the Vogel Action. On April 2, 2025, Plaintiff Vogel submitted a request for dismissal of the Vogel Action without prejudice.

13. The Parties engaged in significant written and deposition discovery prior to resolution. Through formal discovery, Defendants produced timekeeping and payroll records for all Settlement Class Members for the entire Class Period, along with policy documents and employee handbooks in effect during the relevant time. The Parties also completed a *Belaire-West* privacy mailing and Plaintiffs took the deposition of Defendants' Person Most Qualified witness. Plaintiffs retained an expert with a Ph.D. in economics to analyze Defendants' data and prepare a class-wide damages model.

14. The Parties participated in an initial mediation session with Francis Ortman, Esq., an experienced wage and hour mediator, in May 2023. During the mediation, the Parties exchanged divergent views regarding Defendants' liability, potential exposure, legal defenses, and the likelihood of class certification but were unable to resolve the case.

15. Following the initial mediation, Defendants initiated a "Pick-Up-Stix" campaign, offering individual settlement payments to employees in exchange for a release of claims. Defendants represent that approximately 581 out of 1,415 Settlement Class Members (over 41%) signed releases and accepted settlement payments totaling $415,904.98, resulting in an average payment of approximately $715 per person. Although these individuals signed releases, they will remain part of the Settlement Class and will receive settlement payments under the terms of the proposed Settlement. In addition, Settlement Class Members who did not sign a release will be allocated an equivalent additional payment through the Settlement to account for the consideration already provided to those who signed early releases.

16. The Parties subsequently participated in a second mediation session with Mr. Ortman on September 20, 2024. At the conclusion of the second mediation, Mr. Ortman issued a mediator's proposal, which the Parties ultimately accepted. Over the following months, the Parties worked cooperatively to finalize the terms of the Settlement now submitted for

preliminary approval. At the time of settlement, Plaintiffs had not filed a motion for class certification. Had the Court denied certification, or granted only partial certification, the value of Plaintiffs' claims would have diminished substantially. Even if certification were granted, Defendants would likely have sought decertification at a later stage.

17. Plaintiffs allege that Defendants failed to compensate them and other non-exempt employees at one and one-half times their regular rate of pay for hours worked over eight in a day or forty in a week. Plaintiffs contend that Defendants' timekeeping system automatically shaved overtime hours worked between 8.01 and 8.12 hours and later utilized non-neutral rounding practices that resulted in systematic underpayment of wages. Plaintiffs further allege that Defendants failed to properly include non-discretionary bonuses, shift differentials, and stipends in the regular rate of pay for overtime purposes. Based on a sampling of timekeeping and payroll records, Plaintiffs' expert determined that Defendants' manual overtime shaving practice, whereby shifts between 8.01 and 8.12 hours were not credited with overtime wages, affected approximately 154,821 shifts. The average shift length during this period was 8.05 hours. In addition, Defendants' rounding practices resulted in 84.42% of pay periods being underpaid, 10.39% being overpaid, and 5.19% breaking even, resulting in a total of 11,759 unpaid hours. Extrapolating for the Settlement Class, and assuming all unpaid hours would be compensated at the overtime rate, Plaintiffs calculated Defendants' maximum exposure for unpaid overtime at $787,997, calculated as follows: Manual Overtime Shaving: 154,821 shifts x 0.05 average unpaid hours = 7,741 unpaid hours x $40.41 average overtime rate = $312,816; Rounding: 11,759 unpaid hours x $40.41 average overtime rate = $475,181. Plaintiffs applied a 41% discount for the Pick-Up-Stix releases, along with a 25% discount for the risk of non-certification, and a 50% discount for the risk of losing on the merits, resulting in a reasonable exposure estimate of $174,344.

18. Plaintiffs' expert confirmed that Defendants failed to include the value of non-discretionary bonuses, shift differentials, and stipends in the regular rate of pay when calculating the value of overtime pay, resulting in an overtime underpayment of $286,184. Plaintiffs discounted this claim by 41% for the Pick-Up-Stix releases, 25% for the risk of non-certification

and 50% for the risk of losing on the merits, resulting in a reasonable exposure estimate of $63,318.

19. Defendants deny that any employees were underpaid and assert that their rounding practices were facially neutral and lawful. Defendants further contend that the bonuses and additional compensation paid to employees were discretionary and therefore properly excluded from the regular rate of pay. Defendants also argue that individualized inquiries would be required to determine whether any employee was underpaid, thereby defeating class certification.

20. Plaintiffs allege that Defendants failed to provide legally compliant meal periods, requiring employees to obtain supervisor approval before taking breaks and failing to relieve employees of all duty. Plaintiffs contend that Defendants regularly failed to provide timely and uninterrupted first meal periods before the end of the fifth hour of work, failed to provide second meal periods for shifts over 10 hours, and failed to pay meal period premiums at the regular rate of pay. Plaintiffs' expert found that 450,424 of the 906,365 total shifts over 6.0 hours (49.7% of shifts) reflect non-compliant meal periods. The majority of these violations (77.41% of the violations; 38.45% of all shifts) come in the form of late meal periods (commencing after the end of the fifth hour of work). Additionally, Plaintiffs' expert noted an additional 45,342 meal period violations for shifts in excess of 10.0 hours. Plaintiffs calculated Defendants' maximum exposure for meal period violations at $13,355,936, calculated as follows: First Meals: 450,424 shifts × $26.94 average premium = $12,134,423; Second Meals: 45,342 shifts × $26.94 average premium = $1,221,513. Plaintiffs applied a 41% discount for the Pick-Up-Stix releases, a 50% discount for the risk of non-certification, and a 50% discount for the risk of losing on the merits. Based on these adjustments, Plaintiffs calculated a reasonable exposure estimate of $1,970,001.

21. Defendants assert that they maintained legally compliant policies and practices that provided all required meal periods. Defendants further contend that any missed or late meal periods were the result of employee choice rather than any company policy or practice. Defendants also argue that individualized inquiries would be necessary to determine whether any meal period was missed, shortened, or waived, and whether a premium payment was made, thereby precluding class certification.

22. Plaintiffs allege that Defendants failed to authorize and permit net 10-minute rest periods for every four hours worked or major fraction thereof. Defendants' written rest period policy required employees to be at their workstations at the start and end of their rest breaks, depriving employees of a full net 10-minute break. Plaintiffs further contend that Defendants' policy failed to authorize a second or third rest period for shifts in excess of 10.0 hours and that employees were not paid rest period premiums at the regular rate of pay. Plaintiffs' expert determined that employees worked 941,230 shifts in excess of 3.5 hours. Should Plaintiffs prevail on their argument that each of these shifts were not authorized a "net" 10 minutes of rest, Plaintiffs calculated Defendants' maximum rest period exposure at $25,356,736 (941,230 shifts x $26.94 average premium). Plaintiffs applied a 41% discount for the Pick-Up-Stix releases, a 75% discount for the risk of non-certification, and a 75% discount for the risk of losing on the merits, resulting in a reasonable exposure estimate of $935,030.

23. Defendants assert that employees were authorized and permitted to take compliant 10-minute rest periods and that employees, in fact, took such rest periods. Defendants argue there is no common evidence of rest period violations because rest periods were not recorded in Defendants' timekeeping system. Defendants further contend that employees were provided more than 10 minutes for rest breaks and were not required to return to their workstations within the 10-minute rest period. Finally, Defendants argue that individualized inquiries would be necessary to determine whether any employee missed or received a deficient rest period, precluding class certification.

24. Plaintiffs allege that Defendants failed to reimburse employees for necessary business expenses, including the cost of using personal cell phones for work-related purposes. Plaintiffs also allege that Defendants improperly deducted charges such as laundry expenses, salary advances, and other job-related costs from employee wages without proper reimbursement. Plaintiffs estimated the average monthly cell phone expense incurred by employees was approximately $50. Plaintiffs therefore calculated Defendants exposure for its failure to reimburse necessary business expenditures at $2,149,862 (186,307 workweeks ÷ 4.333 weeks per month x $50). Plaintiffs applied a 41% discount for the Pick-Up-Stix releases, a 50% discount for the risk

of non-certification, and a 75% discount for the risk of losing on the merits, resulting in a reasonable exposure estimate of $158,552.

25. Defendants assert that they reimbursed employees for all necessary business expenses. Defendants contend that employees were not required to use their personal cell phones for business purposes and, to the extent any employee incurred business-related expenses, Defendants were not notified of those expenses and thus were not obligated to reimburse them.

26. Plaintiffs allege that as a result of Defendants' failure to pay all wages earned, including overtime, minimum wages, and meal and rest period premiums, Defendants failed to maintain accurate payroll records, issue accurate wage statements, and timely pay all final wages upon separation. Plaintiffs also seek civil penalties under the PAGA for these alleged violations.

27. There are approximately 1,122 individuals who received 62,330 wage statements during the 1-year time period associated with wage statement violations. Keeping in mind the $4,000.00 per employee cap on wage statement violations, Plaintiff calculated Defendants' maximum wage statement exposure at $4,488,000 (1,122 employees x $4,000 maximum penalty). Plaintiffs applied a 41% discount for the Pick-Up-Stix releases, a 50% discount for the risk of non-certification, and a 75% discount for the risk of losing on the merits, resulting in a reasonable exposure estimate of $330,990.

28. There are approximately 1,327 individuals who maintain standing for waiting time penalties. Assuming an average waiting time penalty of $6,466 ($26.94 x 8 hours x 30 days), Plaintiffs calculates Defendants' waiting time penalty exposure at $8,580,382 (1,327 former employees x $6,466). Plaintiffs applied a 41% discount for the Pick-Up-Stix releases, a 75% discount for the risk of non-certification, and a 75% discount for the risk of losing on the merits, resulting in a reasonable exposure estimate of $316,402.

29. Plaintiffs allege that civil penalties are recoverable for each pay period in which an underlying Labor Code violation occurred. Based on Plaintiffs' expert's data analysis, Settlement Class Members worked a combined total of 62,330 pay periods during the PAGA Period. Plaintiffs therefore calculated Defendants' maximum PAGA exposure at $6,233,000 (62,330 pay periods x $100 initial violation rate). Plaintiffs applied a 75% discount for the

likelihood of not prevailing on the merits of the underlying claims, and an additional 75% discount for the probability that the Court would substantially reduce any PAGA penalty awarded, resulting in a reasonable exposure estimate of $389,563.

30. Defendants argue that Plaintiffs' derivative claims fail because the underlying claims are without merit. Defendants also assert that Plaintiffs cannot show "knowing and intentional" wage statement violations or "willful" failures to pay final wages, as required for penalties under Labor Code §§ 203 and 226(e). Defendants further maintain that any PAGA penalties awarded should be substantially reduced in the Court's discretion.

31. Using these estimated figures, Plaintiffs project that the total potential reasonable recovery for the Settlement Class would be approximately $4,338,200. The proposed Maximum Settlement Amount of $3,665,904.98 therefore represents approximately 84.5% of Plaintiffs' reasonably forecasted class-wide recovery, which falls well within the range of settlements routinely approved by courts as fair, reasonable, and adequate.

32. If the Court preliminarily approves the Settlement, Defendants will pay a non-reversionary Maximum Settlement Amount ("MSA") of $3,665,904.98. After deductions, the Net Settlement Amount ("NSA") will be no less than $1,795,081.67. Individual Settlement Payments will be calculated based on each Settlement Class Member's proportionate number of workweeks worked during the Class Period. In addition, 25% of the PAGA Amount will be distributed to all PAGA Aggrieved Employees, regardless of whether they opt out of the class action, based on the number of pay periods worked during the PAGA Period. $600,000.00 from the NSA will be distributed equally among the 834 Settlement Class Members who did not receive a Pick-Up-Stix payment during the pendency of the lawsuit, resulting in additional compensation of approximately $715.00 per person and mirroring the average Pick-Up-Stix payment. According to Defendants' records, there are approximately 1,415 Settlement Class Members. Based on the estimated NSA, the average Individual Settlement Payment is projected to be approximately $1,268.61. The Stipulation of Settlement ("Settlement" or "Settlement Agreement") is attached hereto as **Exhibit A**. The Notice of Class and PAGA Action Settlement ("Notice Packet") is attached to the Rowbotham Decl. as **Exhibit B**. Because the Settlement also resolves Plaintiffs'

representative PAGA claims, notice of the Settlement has been submitted to the LWDA. The LWDA's submission confirmation is attached hereto as **Exhibit C**.

33. At final approval, Plaintiffs will seek Class Representative Enhancement Payments of $20,000.00 total ($10,000.00 each) for their service and general release of claims. These payments recognize the substantial time and effort Plaintiffs devoted to the Action, including providing factual information, participating in discovery, preparing for and attending mediation, reviewing settlement documents, and assuming the risks associated with serving as named plaintiffs.

34. Class Counsel will seek an award of attorneys' fees of up to one-third of the MSA ($1,221,968.33) and reimbursement of up to $100,000.00 in actual litigation costs. The requested fees are justified given the complexity, risk, and contingency nature of the litigation, the results achieved for the class, and the substantial work performed. Class Counsel's work includes pre-filing investigation, formal written and deposition discovery, extensive review and analysis of timekeeping and payroll records with the assistance of an expert, mediation preparation and participation, negotiation and drafting of settlement documents, preparation of preliminary approval papers, and anticipated work through final approval.

35. I confirm that I am not affiliated in any way with the proposed Settlement Administrator, ILYM Group, Inc. I do not have any financial interest, ownership interest, or other relationship with ILYM Group, Inc. that could create a conflict of interest or call into question the neutrality of the settlement administration process.

I declare under penalty of perjury under the laws of California and the United States that the foregoing is true and correct. Executed on April 10, 2025, at El Segundo, California.

Andrew J. Rowbotham

EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement" or "Settlement") is reached by and between Plaintiffs Joshua D. Hodges and Daniel Vogel ("Plaintiffs" or "Class Representatives"), as individuals and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendants California Truck Centers, LLC, and Delta Truck Center ("Defendants"), on the other hand. Plaintiffs and Defendants are referred to herein collectively as the "Parties." Plaintiffs and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC, Mehrdad Bokhour of Bokhour Law Group, P.C., Joshua S. Falakassa of Falakassa Law, P.C., and Roman Otkupman of Otkupman Law Firm (collectively, "Class Counsel"). Defendants are represented by Derek J. Haynes and Dylan T. de Wit of Porter Scott (collectively, "Defense Counsel").

On January 10, 2022, Plaintiff Hodges filed a class action complaint against Defendants in San Joaquin County Superior Court, titled *Joshua D. Hodges v. California Truck Centers, LLC, et al.*, Case No. STK-CV-UOE-2022-0000168 (the "Action"), alleging that Defendants: (i) failed to pay all overtime wages; (ii) failed to provide all lawful meal periods; (iii) failed to authorize and permit all lawful rest periods; (iv) failed to reimburse for all necessary business expenditures; (v) failed to issue accurate itemized wage statements; (vi) failed to timely pay all final wages due upon separation from employment; and (vii) failed to comply with California's Unfair Competition laws. On February 2, 2022, Plaintiff amended the complaint to add causes of action for failure to pay all minimum wages and unlawful deductions. On June 9, 2022, Plaintiff again amended the complaint to add a cause of action for civil penalties under the Private Attorneys General Act, Labor Code § 2968 *et seq*. ("PAGA").

On February 14, 2023, Plaintiff Vogel filed a class action complaint against Defendants in Alameda Superior Court, titled *Daniel Vogel v. Golden Gate Freightliner, Inc., et al*. Case No. 23CV027835, alleging that Defendants: (i) failed to provide all lawful meal periods; (ii) failed to authorize and permit all lawful rest periods; (iii) failed to pay all wages; (iv) failed to issue accurate itemized wage statements; (v) failed to timely pay all final wages due upon separation from employment; (vi) failed to timely pay employees at least twice per calendar month; (vii) failed to reimburse for all necessary business expenditures; (viii) failed to pay all overtime wages; (ix) failed to provide a safe and healthy work environment; and (x) failed to comply with California's Unfair Competition laws.

Prior to mediation, Defendants conducted a "*Pick-Up-Stix*" campaign in which they offered individual settlement payments to putative class members in exchange for a release of claims. Defendants represent that approximately 581 out of 1,415 Settlement Class members signed a release of claims and accepted consideration totaling $415,904.98 (approximately $715 per person).

The Parties attended a global mediation with Francis "Tripper" Ortman on September 20, 2024. At the conclusion of mediation, the Parties agreed to a mediator's proposal which provides a resolution of all claims at issue in both lawsuits. As part of the tentative settlement, the Parties agreed that any payments made during the *Pick-Up-Stix* campaign will be included in the settlement calculations for approval purposes pursuant to the catalyst theory. The Parties also agreed to stipulate to amend the operative complaint in the Action to name Daniel Vogel as an additional plaintiff and to plead all additional factual allegations and associated causes of action pled in the *Vogel* matter to the Action. Once the amended complaint (which will become the operative complaint) is filed in the Action, Plaintiff Vogel will request dismissal of the *Vogel* action without prejudice and will proceed with settlement approval of those claims in the Action.

Given the uncertainty of litigation, Plaintiffs and Defendants wish to settle both individually and on behalf of the Settlement Class. Accordingly, the Parties agree as follows:

1. **Settlement Class Defined.** For the purposes of this Settlement Agreement only, Plaintiffs and Defendants stipulate to the certification of the following Settlement Class:

> All current and former non-exempt employees who worked for Defendants in California between January 10, 2018 and the date of preliminary approval by the Court or 120 days following mediation, whichever occurs first ("Class Period").

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiffs**. Plaintiffs, and each Settlement Class member who does not timely opt-out of the settlement (except as to the PAGA claims specified below), shall fully and finally release and discharge Defendants and all of their present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns (the "Released Parties") as follows:

A. All Settlement Class members who do not timely opt out shall fully and finally release and discharge the Released Parties from liability for all claims, demands, rights, liabilities and causes of action based on the factual allegations set forth in the operative complaint in the Action or Plaintiffs' PAGA Notices to the LWDA (dated January 5, 2022 and February 1, 2022), or which could have been pled in the operative complaint in the Action based on the factual allegations therein, that arose during the Class Period ("Released Claims"). The time period covered by this release will mirror the Class Period.

B. <u>Release of PAGA Claims</u>. It is understood and acknowledged that all current and former non-exempt employees who worked for Defendants in California at any time between January 5, 2021 through the close of the Class Period (the "PAGA Period") shall be referred to as the "PAGA Aggrieved Employees" and will be issued a check for their share of the PAGA Amount, as defined below, regardless of whether they submit a timely Request for Exclusion from the class action portion of the Settlement. All PAGA Aggrieved Employees shall be deemed to have released and discharged the Released Parties from all claims for civil penalties under PAGA that are based on the Labor Code violations pled in the operative complaint in the Action or Plaintiffs' PAGA Notices to the LWDA (dated January 5, 2022 and February 1, 2022), or which could have been pled in the operative complaint in the Action based on the factual allegations therein, that arose during the PAGA Period (the "PAGA Released Claims"). This release does not cover any claims other than PAGA claims. The time period covered by this release will mirror the PAGA Period.

C. In light of Plaintiffs' Class Representative Enhancement Awards, Plaintiffs agree to a general release, as individuals and in addition to the Released Claims described above, of any and all claims, whether known or unknown, under federal law or state law against Defendants. Plaintiffs understand that this release includes unknown claims and that Plaintiff are, as a result, waiving all rights and benefits afforded by California Civil Code Section 1542, which provides as follows:

> **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.**

Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers' compensation laws). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding.

D. The Settlement shall become effective on the date upon which the Court signs an order granting final approval of the Settlement Agreement ("Effective Date").

3. **Maximum Settlement Amount.** As consideration, Defendants agree to pay a non-reversionary "Maximum Settlement Amount" of Three Million Six Hundred Sixty-Five Thousand Nine Hundred Four Dollars and Ninety-Eight Cents ($3,665,904.98) in full and complete settlement of the Action, as follows:

A. The Parties have agreed to engage ILYM Group, Inc. as the "Settlement Administrator" to administer this Settlement.

B. The Maximum Settlement Amount shall be paid by Defendants within thirty (30) calendar days after the Effective Date.

C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:

(1) All payments (including interest) to the Settlement Class members;

(2) The $415,904.98 previously paid by Defendants to Settlement Class members as part of the *Pick-Up-Stix* campaign for purported general releases.

(3) All costs of the Settlement Administrator which are not to exceed $12,950.00;

(4) Up to $20,000.00 for Plaintiffs' Class Representative Enhancement Awards ($10,000.00 to each named Plaintiff) in recognition for Plaintiffs' contributions to the Action and service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Awards, Plaintiffs shall not have the right to revoke the Settlement Agreement for that reason, and the Settlement will remain binding;

(5) Up to one-third (1/3) of the Maximum Settlement Amount in Class Counsel's attorneys' fees (currently estimated at $1,221,968.33), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than $100,000.00. In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the Settlement will remain binding; and

(6) One Hundred Thousand Dollars and Zero Cents ($100,000.00) of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or $75,000.00, will be payable to the LWDA, and the remaining 25%, or $25,000.00, will be payable to the PAGA Aggrieved Employees as the "PAGA Amount," as described below.

D. Defendants will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.

E. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include the employer's share of payroll taxes, which shall be paid by Defendants separate and apart from, and in addition to, the Maximum Settlement Amount.

F. **Escalator Clause.** Defendants represent that there are an estimated 186,307 aggregate workweeks worked by the approximately 1,415 Settlement Class members during the Class Period. If the actual number of workweeks worked by the Settlement Class members during the Class Period exceeds this figure by more than 10% (i.e., if there are 204,938 or more workweeks worked during the Class Period), Defendants shall increase the Maximum Settlement Amount by the percentage of the increase (i.e., if there was a 12% increase in the number of workweeks, Defendants shall increase the Maximum Settlement Amount by 12%).

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Settlement Payment") from the Settlement. Individual Settlement Payments will be determined and paid as follows:

A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Awards, the Settlement Administrator's fees and expenses for administration, and the amount of PAGA civil penalties designated as payable to the LWDA, and the amount previously paid by Defendants as part of the *Pick-Up-Stix* campaign. The remaining amount shall be known as the "Net Settlement Amount."

B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment based on the following formula:

i. The Parties have set aside $600,000.00 to be split equally amongst those 834 Settlement Class members who did not receive a *Pick-Up-Stix* payment during the pendency of the lawsuit. This will result in additional compensation to these individuals of approximately $715.00 (mirroring the average value of the *Pick-Up-Stick* payments).

ii. The $25,000.00 payable to the PAGA Aggrieved Employees as their 25% portion of the PAGA civil penalties shall be designated as the "PAGA Amount." Each PAGA Aggrieved Employee who was employed by Defendants at any time during the PAGA Period, regardless of whether they timely submit a Request for Exclusion, shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the PAGA Period compared to the aggregate number of pay periods worked by all PAGA Aggrieved Employees during the PAGA Period.

iii. The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the Class Period.

C. Within ten (10) business days following the full funding of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment, and will prepare and mail the Individual Settlement Payments to the participating Settlement Class members and PAGA Aggrieved Employees. Once Individual Settlement Payments have been mailed to all participating Settlement Class members, the Settlement Administrator shall also mail the Court-approved amounts for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Awards, and the Settlement Administrator's fees and expenses for administration.

D. Each Individual Settlement Payment shall be allocated as twenty percent (20%) wages (subject to applicable withholdings), and eighty percent (80%) interest and penalties (not subject to withholdings). The portion of the PAGA Amount payable to the PAGA Aggrieved Employees shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 for amounts paid as wages, and an IRS Form 1099 for amounts paid as penalties and interest. Settlement Class members are responsible for their share of the payroll taxes on portions of the Individual Settlement Payments allocated as unpaid wages, which will be deducted from their Individual Settlement Payments.

E. Defendants shall fully discharge their obligations to the participating Settlement Class members through the mailing of an Individual Settlement Payment, regardless of whether such checks are actually received and/or negotiated by the recipients. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within one hundred eighty (180) days from the date the Settlement Administrator mails it. Any check that is not negotiated within one hundred eighty (180) days of mailing to a Settlement Class member shall be transferred to the Unclaimed Property Funds, California Civil Code § 1500 *et seq*., in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

F. Neither Plaintiffs nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Maximum Settlement Amount (currently estimated at $1,221,968.33). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed $100,000.00 from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099-MISC by the Settlement Administrator for the fees and costs award approved by the Court.

6. **Class Representative Enhancement Awards.** Defendants will not object to a request for the Class Representative Enhancement Awards in the total amount of $20,000.00 ($10,000.00 to

each named Plaintiff) for Plaintiffs' time and risk in prosecuting this case, Plaintiffs' service to the Settlement Class, and in exchange for Plaintiffs' general release of claims. This award will be in addition to Plaintiffs' Individual Settlement Payments as a Settlement Class members, and shall be reported on an IRS Form 1099-MISC issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendants agree to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendants will not object to Plaintiffs seeking approval to pay up to $12,950.00 for the administration services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for depositing into an account and holding the payment from Defendants comprising the Maximum Settlement Amount, sending Notice Packets in English and Spanish to the Settlement Class members, calculating Individual Settlement Payments and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all participating Settlement Class members.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:

A. Conditionally certifying the Settlement Class for settlement purposes only;

B. Appointing Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC, Mehrdad Bokhour of Bokhour Law Group, P.C., Joshua S. Falakassa of Falakassa Law, P.C., and Roman Otkupman of Otkupman Law Firm as Class Counsel;

C. Appointing Plaintiffs Joshua D. Hodges and Daniel Vogel as Class Representatives for the Settlement Class;

D. Approving ILYM Group, Inc. as Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (which is comprised of the Notice of Class and PAGA Action Settlement, Notice of Individual Settlement Payment, and the Request for Exclusion Form), and directing the mailing of the same; and

G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

A. Within ten (10) business days of the court signing an order preliminarily approving this Settlement Agreement, Defendants will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, workweek and pay period data for all Settlement Class members (and PAGA Aggrieved Employees) during the Class Period (and PAGA Period).

B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member and PAGA Aggrieved Employee; and (iv) mail a Notice Packet to each Settlement Class member and PAGA Aggrieved Employee at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline, as defined below, shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional fourteen (14) calendar days after the Response Deadline to opt-out, object, or dispute their Individual Settlement Payment. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.

D. Requests for Exclusion. Request for Exclusion Forms will be mailed to all Settlement Class members in the Notice Packets. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail the Request for Exclusion Form to the Settlement Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit the Request for Exclusion Form by the Response Deadline. The Request for Exclusion Form must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) be signed by the Settlement Class member; and (3) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion Form does not contain the information listed in (1)-(2), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion Form shall be the exclusive means used to determine whether a Request for Exclusion Form has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.

ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class or encourage any Settlement Class member to appeal from the Judgment. The Parties and their respective counsel each agree that they will not distribute to any Settlement Class member any documents, notices, or information regarding the Action or the settlement other than documents, notices, or information approved by the Court, including but not limited to any documents, notices, or information that would encourage or discourage a Settlement Class member from opting out, unless a specific request is first made to them by the Settlement Class member.

iii. PAGA Aggrieved Employees. All PAGA Aggrieved Employees shall receive their share of the PAGA Amount and will be deemed to have released the PAGA Released Claims, regardless of whether or not they timely request to be excluded from the class action portion of the Settlement. PAGA Aggrieved Employees are not provided an opportunity to opt-out or exclude themselves from the PAGA Release.

E. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' counsel, as well as file all such objections with the Court) within the Response Deadline. Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class member who wishes to may appear in person or through their own counsel and raise an objection at the Final Approval Hearing.

F. Defendants' Right to Withdraw. If the number of valid Requests for Exclusion exceeds 5% of the total of all Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that no Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than 7 days after the Administrator sends a final exclusion list to Defense Counsel; late elections will have no effect.

G. Notice of Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Notice of Individual Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

H. Defendants understand their legal obligation not to retaliate against the Settlement Class members for their participation and/or election to participate in the benefits to be afforded any of them by the Settlement and/or the Action.

I. Notice of Final Judgment. A notice of the Court's Final Judgment and Order will be posted on the Settlement Administrator's website for the Settlement Class members and PAGA Aggrieved Employees, in compliance with CRC Rule 3.771(b).

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

B. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Awards, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and

C. Entering judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator's website in accordance with the terms of this agreement.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree

that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties or their respective counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Confidentiality.** The Parties agree to keep this Settlement Agreement confidential (except for purposes of enforcement) through preliminary approval. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the terms of the settlement. Nothing herein shall prohibit any of the Parties from disclosing information relating to the Settlement Agreement as required by law.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiffs:

Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
fschmidt@haineslawgroup.com

Mehrdad Bokhour of Bokhour Law Group, P.C.
1901 Avenue of the Stars, Suite 450, Los Angeles, CA 90067
mehrdad@bokhourlaw.com

Joshua S. Falakassa of Falakassa Law, P.C.
1901 Avenue of the Stars, Suite 450, Los Angeles, CA 90067
josh@falakassalaw.com

Roman Otkupman of Otkupman Law Firm
5743 Corsa Ave., Suite 123, Westlake Village, CA 91362
roman@olfla.com

if to Defendants:

Derek J. Haynes of Porter Scott, A Professional Corporation
350 University Avenue, Suite 200, Sacramento, CA 95825
dhaynes@porterscott.com

16. **Entire Agreement**. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts**. This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

18. **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

19. **Continuing Jurisdiction**. The Parties agree that the San Joaquin County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

JOSHUA D. HODGES

Dated: Jan 31, 2025

Joshua Hodges (Jan 31, 2025 14:50 PST)

Joshua D. Hodges, Plaintiff

DANIEL VOGEL

Dated: 02 / 03 / 2025

Daniel Vogel, Plaintiff

CALIFORNIA TRUCK CENTERS, LLC

Dated: 2/5/2025

By: Doug Howard

Its: President

DELTA TRUCK CENTER

Dated: 2/5/2025

By: Doug Howard

Its: President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

APPROVED AS TO FORM:

Dated: Jan 31, 2025

HAINES LAW GROUP, APC

By: ______________________

Paul K. Haines
Fletcher W. Schmidt
Andrew J. Rowbotham
Attorneys for Plaintiffs

Dated: 1/31/2025

BOKHOUR LAW GROUP, P.C.

By: Signed by: MEHRDAD BOKHOUR D8D3643F27184DF

Mehrdad Bokhour
Attorney for Plaintiffs

Dated: 1/31/2025

FALAKASSA LAW, P.C.

By: DocuSigned by: Joshua Falakassa 15A62BB2C5A149C

Joshua S. Falakassa
Attorney for Plaintiffs

Dated: 02 / 03 / 2025

OTKUPMAN LAW FIRM

By: ______________________

Roman Otkupman
Attorney for Plaintiffs

Dated: 03/05/25

PORTER SCOTT

By: ______________________

Derek J. Haynes
Dylan T. de Wit
Attorneys for Defendants

EXHIBIT B

NOTICE OF CLASS AND PAGA ACTION SETTLEMENT
Joshua D. Hodges v. California Truck Centers, LLC., et al.
San Joaquin County Superior Court
Case No.: STK-CV-UOE-2022-0000168

To: All current and former non-exempt employees who worked for California Truck Centers, LLC, and Delta Truck Center in California between January 10, 2018 and January 18, 2025.

PLEASE READ CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH

Why should you read this Notice?

The Court has granted preliminary approval of a proposed settlement (the "Settlement") in the matter of *Joshua D. Hodges v. California Truck Centers, LLC, et al.,* San Joaquin County Superior Court Case No. STK-CV-UOE-2022-0000168 (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. California Truck Centers, LLC, and Delta Truck Center (collectively "CA Truck") records show that you were employed as a non-exempt employee in California between January 10, 2018 and January 18, 2025 (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

Plaintiffs Joshua D. Hodges and Daniel Vogel ("Plaintiffs") brought this Action against CA Truck, seeking to assert claims on behalf of a class of all current and former employees who worked for CA Truck in California during the Class Period. Plaintiffs are known as the "Class Representatives," and their attorneys, who also represent the interests of all Class Members, are known as "Class Counsel."

In the Action, Plaintiffs allege that CA Truck: (1) failed to pay all overtime wages; (2) failed to pay all minimum wages; (3) failed to provide all lawful meal periods; (4) failed to authorize and permit all lawful rest periods; (5) failed to reimburse for all necessary business expenditures; (6) failed to issue accurate itemized wage statements; (7) failed to pay all final wages due upon separation from employment; (8) failed to timely pay employees at least twice per calendar month; (9) failed to provide a safe and healthy work environment; (10) performed unlawful deductions; (11) violated California's unfair competition laws; and (12) is liable for civil penalties under the Private Attorneys General Act ("PAGA").

CA Truck denies that they have done anything wrong. CA Truck also denies that they owe Class Members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of CA Truck, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiffs' claims. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate and reasonable. Any final determination of whether the proposed Settlement is fair, adequate, and reasonable will be made at the Final Approval Hearing. However, to avoid additional expense, inconvenience, and interference with its business operations, CA Truck concluded that it is in their best interests to settle the Action on the terms summarized in this Notice. After CA Truck provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's length negotiations between the parties.

The Class Representatives and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to CA Truck, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by CA Truck, your decision about whether to participate in the Settlement will not affect your employment. California law and CA Truck's policy strictly prohibit unlawful retaliation. CA Truck will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of their decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiffs/Settlement Class:	Attorneys for CA Truck:
HAINES LAW GROUP, APC Paul K. Haines (SBN 248226) phaines@haineslawgroup.com Fletcher W. Schmidt (SBN 286462) fschmidt@haineslawgroup.com Andrew J. Rowbotham (SBN 301367) arowbotham@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com **BOKHOUR LAW GROUP, P.C.** Mehrdad Bokhour, Esq., CA Bar No. 285256 mehrdad@bokhourlaw.com 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Tel: (310) 975-1493; Fax: (310) 675-0861 **FALAKASSA LAW, P.C.** Joshua S. Falakassa, CA Bar No. 295045 josh@falakassalaw.com 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Tel: (818) 456-6168; Fax: (888) 505-0868 **OTKUPMAN LAW FIRM, A LAW CORPORATION** Roman Otkupman, CSBN 249423 Roman@OLFLA.com Nidah Farishta, CSBN 312360 Nidah@OLFLA.com 5743 Corsa Ave., Suite 123 Westlake Village, CA 91362 Telephone: (818) 293-5623 Facsimile: (888) 850-1310	**PORTER SCOTT** A PROFESSIONAL CORPORATION Derek J. Haynes, Esq. dhaynes@porterscott.com Dylan T. de Wit, Esq. ddewit@porterscott.com 350 University Avenue, Suite 200 Sacramento, California 95825 Attorneys for CA Truck

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for CA Truck in California between January 10, 2018 and January 18, 2025. Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against CA Truck as described below.

CA Truck agreed to pay $3,665,904.98 (the "Maximum Settlement Amount") to fully resolve all claims in the Action, including payments to Class Members, Class Counsel's attorneys' fees and expenses, Settlement administration costs, PAGA civil penalties, and the Class Representative Enhancement Awards. The Maximum Settlement Amount includes $415,904.98 previously paid by CA Truck to Class Members in connection with individual settlement agreements prior to resolution of the Action (the "Individual Release Offers").

The following deductions from the Maximum Settlement Amount will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Maximum Settlement Amount, which is currently estimated at $1,221,968.33, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to $100,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved ILYM Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to $12,950.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Individual Release Pre-Payments. CA Truck paid $415,904.98 to Class Members in individual settlement agreements prior to mediation. Given that Class Members have already received these payments, that amount is being deducted from the Maximum Settlement Amount.

Class Representative Enhancement Awards. Class Counsel will ask the Court to award the Class Representatives enhancement awards in the amount of $20,000.00 ($10,000 to each named Plaintiff) to compensate them for their service and extra work provided on behalf of Class Members.

PAGA Civil Penalties. The parties have agreed to allocate $100,000.00 towards the Settlement of the PAGA claims in the Action. $75,000.00 will be paid to the LWDA, representing its 75% share of the civil penalties. The remaining $25,000.00 will be allocated to PAGA Aggrieved Employees (which are defined as all current and former non-exempt employees of CA Truck in California who worked at any time between January 5, 2021 and January 18, 2025) as the "PAGA Amount" as described below.

Calculation of Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Class Members who do not submit a valid and timely Request for Exclusion form (described below). The NSA is estimated at approximately $1,795,081.67, and will be divided as follows:

(i) $600,000.00 to be split equally amongst those 834 Settlement Class members who did not accept an Individual Release Offer during the pendency of the lawsuit. This will result in additional compensation to these individuals of approximately $715.00 (mirroring the average value of the Individual Release Offer payments to those Class Members who did accept).

(ii) $25,000.00 payable to the PAGA Aggrieved Employees as their 25% portion of the PAGA civil penalties shall be designated as the "PAGA Amount." Each PAGA Aggrieved Employee, regardless of whether they timely submit a Request for Exclusion, will receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked between January 5, 2021 and January 18, 2025 (the "PAGA Period") compared to the aggregate number of pay periods worked by all PAGA Aggrieved Employees during the PAGA Period

(iii) The remainder of the Net Settlement Amount will be distributed to each Settlement Class member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the Class Period.

Payments to Class Members. If the Court grants final approval of the Settlement, Settlement Payments will be mailed via First Class Mail to all Class Members who did not submit a valid and timely Request for Exclusion from the Settlement.

Allocation and Taxes. For tax purposes, each Settlement Payment shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties. Any payment made from the Net Settlement Amount shall be allocated as 20% wages, and 80% penalties and interest. The Settlement Administrator will be responsible for issuing participating Class Members IRS Forms W-2 for the amounts allocated as "wages" and IRS Form 1099 for the amounts allocated as penalties and interest. Any payment made from the PAGA Amount shall be treated as 100% penalties and reported on an IRS Form 1099. Class Members are responsible for the proper income tax treatment of the individual settlement payments. The Settlement Administrator, CA Truck and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Class Release. If the Court approves the Settlement, Plaintiff and every member of the Settlement Class (except those who submit a valid and timely Request for Exclusion) shall fully and finally release and discharge the California Truck Centers, LLC, and Delta Truck Center and all of their present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns (the "Released Parties") from liability for all claims, demands, rights, liabilities and causes of action based on the factual allegations set forth in the operative complaint in the Action or Plaintiffs' PAGA Notices to the LWDA (dated January 5, 2022 and February 1, 2022), or which could have been pled in the operative complaint in the Action based on the factual allegations therein, that arose during the Class Period ("Released Claims"). The time period covered by this release will mirror the Class Period

PAGA Release. All PAGA Aggrieved Employees shall be deemed to have released and discharged the Released Parties from all claims for civil penalties under PAGA that are based on the Labor Code violations pled in the operative complaint in the Action or Plaintiffs' PAGA Notices to the LWDA (dated January 5, 2022 and February 1, 2022), or which could have been pled in the operative complaint in the Action based on the factual allegations therein, that arose during the PAGA Period (the "PAGA Released Claims"). This release does not cover any claims other than PAGA claims. The time period covered by this release will mirror the PAGA Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked for CA Truck during the Class Period. You also will be bound by the Settlement, including the release of claims stated above. PAGA Aggrieved Employees will receive their share of the PAGA Amount regardless of whether they opt-out of the Class Release.

What other options do I have?

Dispute Information in Notice of Settlement Payment. Your award is based on the proportionate number of workweeks you worked for CA Truck during the Class Period, as well as the proportionate number of pay periods you worked during the PAGA Period. The information contained in CA Truck's records regarding each of these factors, along with your estimated Settlement Payment, is listed below. If you disagree with the information listed below, you may submit a dispute, along with any supporting documentation, to <<INSERT ADMINISTRATOR CONTACT INFO>>. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will determine whether any adjustments are warranted, and if so, will consult with the Parties and make any adjustments approved by the Parties.

According to CA Truck's records:

- **(a)** you worked for Defendant in California from ________________ to _____________;
- **(b)** you <<did/did not>> accept an Individual Release Offer;
- **(c)** you worked ____ workweeks for CA Truck in California between January 10, 2018, and January 18, 2025;
- **(d)** there were a total of ____ workweeks worked for CA Truck in California by all Class Members between January 10, 2018, and January 18, 2025;
- **(e)** you worked ____ pay periods for CA Truck in California between January 5, 2021, and January 18, 2025; and
- **(f)** there were a total of ____ pay periods worked for CA Truck in California by all PAGA Aggrieved Employees between January 5, 2021, and January 18, 2025.

Based on the above, your Settlement Payment is estimated at **$________**.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the class action settlement, you may exclude yourself by sending to the Settlement Administrator a written request including your name, address, telephone number and the last four digits of your Social Security number (or such sufficient information to accurately identify you as a Class Member. You must submit your executed Request for Exclusion no later than <<RESPONSE DEADLINE>>. A Request for Exclusion Form has been included with your notice.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, and shall be barred from participating in any portion of the Class Action Settlement. However, you may not opt out of the PAGA Settlement, and you will still be entitled to a portion of the PAGA Amount as described above. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it (with the exception of the PAGA Settlement, which you may not object to), you may submit a written Objection to <<INSERT ADMINISTRATOR CONTACT INFO>>. Your written objection should include your name, address, and last four digits of your social security number (or such sufficient information to accurately identify you as a person entitled to object to the settlement). You should also state the nature and basis for the objection. Objections should be in writing, signed, and must be postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 10A of the San Joaquin County Superior Court, located at 180 E Weber Ave., 2nd Floor Stockton, CA, 95202. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence should state the name and number of the case, which is *Joshua D. Hodges v. California Truck Center, LLC., et al.,* San Joaquin County Superior Court Case No. STK-CV-UOE-2022-0000168.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 10A of the San Joaquin County Superior Courthouse located at 180 E Weber Ave., 2nd Floor Stockton, CA, 95202. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, settlement administration costs, and the Class Representatives Enhancement Awards. The Final Approval Hearing may be postponed without further notice to Class Members. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Joaquin County Superior Court, located at Office of the Clerk, 180 E Weber Ave., 2nd Floor Stockton, CA 95202, during regular court hours. You may also view the case file online at www.sjcourts.org by going to the "Online Services" tab, selecting "Case Management Search," and entering the case number information. This case is assigned to Department 10A of the San Joaquin County Superior Courthouse, located at 180 E Weber Ave., 2nd Floor Stockton, CA 95202. The Settlement Agreement is attached as <<Exhibit A to the Declaration of Andrew J. Rowbotham In Support of Plaintiff's Motion For Preliminary Approval of Class Action and PAGA Action Settlement, filed on January 13, 2025>>. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, CA TRUCK, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

REQUEST FOR EXCLUSION FORM

Joshua D. Hodges v. California Truck Center, LLC., et al.
SAN JOAQUIN COUNTY SUPERIOR COURT
Case No.: STK-CV-UOE-2022-0000168

IF YOU *DO NOT* WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST *COMPLETE*, *SIGN* AND *MAIL* OR DELIVER THIS FORM, POSTMARKED ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:

[INSERT SETTLEMENT ADMINISTRATOR] ***Joshua D. Hodges v. California Truck Center, LLC., et al.*** **SETTLEMENT ADMINISTRATOR** **ADDRESS** **ADDRESS** **PHONE** **FAX**

DO NOT SUBMIT THIS FORM IF YOU WISH TO BE PART OF THE CLASS ACTION SETTLEMENT.

By signing, filling out, and returning this form, I confirm that I ***do not*** want to be included in the Settlement of the lawsuit entitled *Josua D. Hodges v. California Truck Center, LLC.*, *et al.,* San Joaquin County Superior Court Case No. STK-CV-UOE-2022-0000168.

I HAVE READ THE NOTICE TO SETTLEMENT CLASS AND I WISH TO OPT OUT OF THE SETTLEMENT CLASS IN *JOSHUA D. HODGES V. CALIFORNIA TRUCK CENTER, LLC., ET AL.,* SAN JOAQUIN SUPERIOR COURT CASE NO. STK-CV-UOE-2022-0000168.

I UNDERSTAND THAT IF I OPT OUT FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT. HOWEVER, I MAY STILL BE ENTITLED TO RECEIVE A PORTION OF THE SETTLEMENT OF THE CLAIMS BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 ("PAGA") AS DESCRIBED IN THE ACCOMPANYING NOTICE TO SETTLEMENT CLASS.

Name Last Four Digits of Social Security Number

Address

Date Signature

EXHIBIT C