

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Sean M. Blakely (SBN 264384)
sblakely@haineslawgroup.com
Alexandra R. McIntosh (SBN 320904)
amcinotsh@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 BERNARDINO

JOSHUA KOVACOVSKY, as an individual and
on behalf of all others similarly situated,

Plaintiff,

vs.

WAREHOUSE SERVICES LOGISTICS, LLC,
a South Carolina limited liability company; and
DOES 1 through 100, inclusive,

Defendants.

Case No.: CIVSB2507157

*[Assigned for all purposes to the Hon.
Charlie L. Hill, Jr., Dept. S30-SBJC]*

**DECLARATION OF SEAN M.
BLAKELY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: February 25, 2027
Time: 8:30 a.m.
Dept.: S30-SBJC

Action Filed: March 12, 2025
Trial Date: None Set

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

I, SEAN M. BLAKELY, declare as follows:

1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiff Joshua Kovacovsky (“Plaintiff”) and the proposed Settlement Class 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 2008 graduate of Southwestern Law School. I was admitted to the California State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein & Marias, I assisted trial attorneys in employment and personal injury cases. From September 2011 through May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused on representing employees in wage and hour class actions. My work at Mahoney Law Group, APC also included representing employees in individual claims for wrongful termination, harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I performed at Mahoney Law Group, APC included: conducting client intakes performing pre-filing research and analysis, drafting complaints, attending court hearings, corresponding with opposing counsel, drafting and responding to written discovery, preparing for and taking and defending depositions, analyzing payroll and timekeeping records and employee handbooks, opposing motions for summary judgment, as well as a variety of other motions such as motions for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to quash, and motions for class certification, drafting mediation briefs, attending mediations, drafting long-form settlement agreements, drafting motions for preliminary and final settlement approval, and overseeing the notice process.

3. Since November 8, 2016, I have worked at my current firm, Haines Law Group, APC, where, in 2020, I became a Partner. I am currently responsible for managing over sixty (60) active wage and hour class and representative actions in both state and federal court.

1 4. The following is a non-exhaustive list of wage and hour class actions in which I
2 have been appointed as class counsel and/or played a significant role in prosecuting the litigation,
3 and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al*, Case
4 No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding
5 (granted final approval of settlement on behalf of employees at rehabilitation facility involving
6 claims for unpaid wages and meal and rest period violations, and other claims, in which I was
7 approved at an hourly rate of \$325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance*
8 *Medical Center, Inc.*, California Superior Court, Los Angeles County, Judge William F.
9 Highberger presiding (granting final approval of settlement on behalf of healthcare workers for
10 unpaid wages, meal and rest period violations, and other claims, in which I was approved at an
11 hourly rate of \$325 for work performed in 2012-2013); *Arteaga v. Command Center Security,*
12 *Inc.*, Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard
13 Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving
14 claims for unpaid overtime, meal and rest period violations, and other claims, in which I was
15 approved at an hourly rate of \$425 for work performed in 2012-2015); *Casadine v. Maxim*
16 *Healthcare Services, Inc.*, Case No. CV 12-10078-DMG (CWx), United States District Court,
17 Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement
18 on behalf of home health care employees involving claims for unpaid wages and other claims, in
19 which I was approved at an hourly rate of \$425 for work performed in 2012-2015); *Guzman v.*
20 *Andrew Lauren Interiors, Inc., et al.*, Case No. BC567757, California Superior Court, Los
21 Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf
22 of construction workers involving claims for unpaid wages, meal and rest period violation, and
23 other claims, in which I was approved at an hourly rate of \$425 for work performed in 2014-
24 2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California
25 Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of
26 settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period
27 violations, and other claims, in which I was approved at an hourly rate of \$425 for work performed
28 in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior

1 Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of
2 settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and
3 related violations, approved at hourly rate of \$475 for work performed in 2016 and 2017); *Galvan*
4 *v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California
5 Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of
6 settlement on behalf of non-exempt employees of a chemical manufacturing company involving
7 claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al.*,
8 Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge
9 Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid
10 overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et*
11 *al.*, Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F.
12 Highberger presiding (granting final approval of settlement involving claims for wage statement
13 violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al.*, Case
14 No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger
15 presiding (granting final approval of settlement on behalf of direct support professionals
16 involving claims for unpaid wages, meal and rest period violations, wage statement violations,
17 and other claims); *Aguilar v. Act Fulfillment, Inc.*, Case No. RIC1616643, California Superior
18 Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement
19 on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval*
20 *v. AMCOR Flexibles Inc.*, Case No. BC617499, California Superior Court, Los Angeles County,
21 Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of
22 manufacturing employees involving claims for unpaid wages, meal period violations, rest period
23 violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C.*, Case No.
24 RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding
25 (granting final approval of settlement on behalf of non-exempt employees of a freight railcar
26 manufacturer involving claims for unpaid overtime and minimum wages, meal period violations,
27 and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior
28 Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of

1 settlement involving claims for unpaid overtime and minimum wages, rest period violations,
2 wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case
3 No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn
4 presiding (granting final approval of settlement on behalf of non-exempt manufacturing
5 employees involving claims for unpaid minimum and overtime wages, meal and rest period
6 violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior
7 Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of
8 settlement on behalf of non-exempt direct support professionals involving claims for meal and
9 rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319,
10 California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final
11 approval of settlement on behalf of non-exempt commissioned salespersons involving claims for
12 unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary
13 expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior
14 Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of
15 settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages,
16 meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case
17 No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William
18 D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees
19 involving claims for unpaid overtime wages, meal and rest period violations, and other claims);
20 *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-
21 2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders
22 presiding (granting final approval of settlement on behalf of non-exempt garment employees
23 involving claims for unpaid minimum wages, meal and rest period violations, and other claims);
24 *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC,
25 California Superior Court, Orange County, Judge William D. Claster presiding (granting final
26 approval of settlement on behalf of non-exempt manufacturing employees involving claims for
27 unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties);
28 *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los

1 Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf
2 of non-exempt commissioned salespersons and other employees involving claims for unpaid
3 wages, meal and rest period violations, unreimbursed business expenses, and other claims); and
4 *Matthew Tovar, et al. v. Rentokil North America, Inc.*, Case No. BC676386, California Superior
5 Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of
6 settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and
7 rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc.*, Case No.
8 CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman
9 presiding (granting final approval of settlement on behalf of sales development representatives
10 involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy*
11 *Aguilar, et al. v. Aero Port Services, Inc.*, Case No. BC659234, California Superior Court, Los
12 Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf
13 of non-exempt employees involving claims for meal and rest period violations, and other claims);
14 *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al.*, Case No. RIC1709905, California
15 Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of
16 settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid
17 wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive*
18 *d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court,
19 Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf
20 of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period
21 violations, unreimbursed business expenses, and penalty claims).

22 5. I have also moved to certify and have received an order certifying a class action in
23 *Ontiveros v. Safelite Fulfillment, Inc., et al.*, Case No. CV 15-7118-DMG (RAOx), United States
24 District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six
25 classes of employees for rest period violations, wage statement violations, meal period violations,
26 and overtime and double-time violations); *Vazquez v. Kraft Heinz Foods Company*, Case No. 16-
27 CV-02749-WQH (BLM), United States District Court, Southern District of California, Honorable
28 William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes, wage

statement class, and waiting time penalty class); *McDonald, et al. v. Sierra Pacific Industries*, Case No. 191133, Shasta County Superior Court, Hon. Tamara L. Wood (certifying eight classes for meal period violations, rest period violations, unpaid wages, unreimbursed business expenses, wage statement violations, and waiting time penalties); *Rosales v. Laclede, Inc.*, Case No. 20STCV01184, Los Angeles Superior Court, Hon. Stuart M. Rice, presiding (certifying three classes for meal period violations, unpaid wages, and waiting time penalties); and *Quincy Calloway v. Lightstorm Entertainment, Inc., et al.*, Case No. 24STCV05939, Los Angeles County Superior Court, Honorable Theresa M. Traber presiding (certifying claims for unpaid overtime wages, wage statement violations, and waiting time penalties).

6. In each year from 2018-2023, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. 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. In each year from 2024 through 2026, Thomson Reuters recognized Mr. Blakely as a “Super Lawyer” in the annual Super Lawyer magazine, an honor awarded to no more than five percent of all attorneys in Southern California each year.

7. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in this case, and I believe that the proposed Settlement is a favorable result for the Settlement Class. Attached hereto as **Exhibit 1** is a true and correct copy of the fully executed Stipulation of Settlement (“Settlement”). The proposed Class Notice and Notice of Estimated Settlement Award are attached to the Settlement as **Exhibits A** and **B**, respectively.

8. Defendant Warehouse Services Logistics, LLC (“Defendant”) is a provider of warehouse services and third-party logistics throughout the United States, including California.

9. On March 12, 2025, Plaintiff filed a Class Action Complaint in San Bernardino County Superior Court, alleging Defendant failed to: (i) pay minimum wages; (ii) pay all overtime wages; (iii) provide compliant meal periods; (iv) provide compliant rest periods; (v) furnish accurate wage statements; (vi) pay all wages due upon separation of employment; and (vii) engaged in unfair business practices. On that same day, Plaintiff sent his PAGA notice letter to Defendant and the LWDA. Attached hereto as **Exhibit 2** is a true and correct copy of Plaintiff’s

1 March 12, 2025 LWDA Letter. On May 20, 2025, Plaintiff filed a separate representative action
2 for civil penalties under the PAGA in the matter entitled *Joshua Kovacovsky v. Warehouse*
3 *Services Logistics, LLC*, San Bernardino Superior Court Case No. CIVSB2520525 (“PAGA
4 Action”). As part of the Settlement, the Parties agreed for Plaintiff to file a First Amended Class
5 and Representative Action Complaint (“FAC”) in this Action, adding an eighth cause of action
6 for civil penalties under PAGA (Labor Code § 2698 *et seq.*). On July 29, 2026, the operative FAC
7 was filed in this Action.

8 10. The Parties engaged in substantial informal discovery and information exchange
9 prior to participating in two mediations. Through informal discovery and information exchange,
10 Defendant provided Plaintiff with timekeeping records and payroll records for a 25% sampling
11 of non-exempt employees employed during the Class Period. Defendant also produced its relevant
12 wage and hour policies and an employee handbook, Plaintiff’s personnel records, as well as
13 relevant data points such as the number of non-exempt employees and workweeks in the Class
14 Period, and the number of non-exempt employees and pay periods in the PAGA Period. Plaintiff
15 hired a labor economist with a Ph.D. in economics to assist Plaintiff in conducting a
16 comprehensive analysis and extrapolation of the payroll and timekeeping data produced by
17 Defendant to create a detailed exposure analysis for all claims at issue. This discovery allowed
18 the Parties to assess the merits and value of Plaintiff’s claims, the chances of certification of
19 Plaintiff’s claims, and Defendant’s potential defenses

20 11. On May 4, 2026, the Parties participated in a full-day mediation session before
21 Steve Serratore, Esq., a respected wage-and-hour mediator, during which the Parties exchanged
22 divergent views on Defendant’s liability and exposure valuations, their legal positions, and the
23 likelihood of certification of Plaintiff’s claims. The Parties did not reach a settlement at the May
24 4, 2026 mediation and agreed to attend a second mediation session. Prior to the second mediation
25 session, Defendant produced timekeeping and payroll records for all non-exempt employees
26 during the Class Period, as well as additional data points and other information. On June 18, 2026,
27 the Parties attended a second full-day mediation with Mr. Serratore. At the conclusion of the
28 mediation, Mr. Serratore issued a mediator’s proposal for a class-wide settlement, which was

ultimately accepted by all Parties. During the months that followed, the Parties finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the Court.

12. The monetary terms of the Settlement are summarized below:

• Gross Settlement Amount:	\$1,900,000.00
• Minus Court-approved attorneys' fees (35%):	\$665,000.00
• Minus Court-approved attorneys' costs (up to):	\$80,000.00
• Minus Class Representative Service Award:	\$10,000.00
• Minus amount set aside as PAGA penalties:	\$50,000.00
• <u>Minus Settlement Administrator costs (up to):</u>	\$12,000.00
Net Settlement Amount:	\$1,083,000.00
• PLUS 35% "PAGA Amount" to PAGA Employees:	\$17,500.00
Total Amount Paid to Settlement Class members:	\$1,100,500.00

13. According to Defendant's records, there are approximately 683 Settlement Class members. Therefore, the average Individual Settlement Award from the Net Settlement Amount is projected to be approximately \$1,585.65. There are approximately 355 Aggrieved Employees who worked during the PAGA Period. Therefore, the average Individual PAGA Payment from the PAGA Amount is estimated to be approximately \$49.30.

14. Plaintiff asserts that Defendant paid employees shift differentials (evening shift and weekend shift premiums) and other incentive pay but systematically failed to include the value of those payments when calculating the regular rate of pay for overtime purposes. For example, employees received shift differentials for working an evening shift and for working a weekend shift, however, Plaintiff alleges that these shift differentials were not included in the calculation of employees' regular rate of pay for overtime purposes, resulting in unpaid overtime wages to Plaintiff and Settlement Class members. Based on Plaintiff's expert's analysis, this resulted in overtime underpayment of approximately \$28,843 during the Class Period. In response, Defendant argues that it properly calculated the regular of pay in accordance with California law and paid all overtime wages owed to Settlement Class members. Defendant contends that all compensation required to be included in employees' regular rates of pay was properly considered and denies that it maintained any policy or practice resulting in the alleged underpayment of overtime wages. Defendant further argues that individualized inquiries into each employee's payments would be necessary to determine which employees were actually

underpaid, precluding class treatment. Plaintiff therefore discounted the maximum exposure by 15% for the risk of non-certification, and by an additional 20% for the risk of losing on the merits, to arrive at an estimated exposure of approximately \$19,613.

15. Plaintiff alleges that Defendant failed to authorize and permit all legally compliant off-duty rest periods. Specifically, Plaintiff contends that Defendant required its non-exempt employees to record all work activities, including the times they took their paid rest periods. Plaintiff asserts that these activity records show employees were not always able to take a ten-minute rest period for every four hours work, or major fraction thereof. Plaintiff asserts that this was due to a heavy workload as Defendant expected employees to complete their work assignments before taking a rest period. Plaintiff's expert's data analysis determined that employees did not receive all legally compliant rest periods on 63,101 shifts in excess of 3.5 hours, reflecting a 38% violation rate. Plaintiff's analysis further revealed that Defendant paid 111 rest period premiums during the Class Period. Plaintiff therefore calculated Defendant's maximum exposure for this claim at approximately \$1,377,591 [(63,101 violations – 111 rest premiums paid) × \$21.87 average rest premium]. In response, Defendant argues it maintains lawful written rest period policies that authorize and permit all required rest periods. Defendant contends that the activity records do not definitively prove rest periods were denied, only that they were not separately logged. Defendant further argues the violation rate is overstated because some employees voluntarily chose to forgo rest periods. Defendant also argues that Plaintiff's rest period claim is not amenable to class treatment, since individual inquiries would be required to determine which employees failed to take rest periods, how many rest periods they failed to take, and the reasons why each employee failed to take rest period(s) on a particular shift. Plaintiff therefore discounted the maximum exposure by 45% for the risk of non-certification, and by an additional 40% for the risk of losing on the merits, to arrive at an estimated exposure of approximately \$454,605.

16. Plaintiff asserts that Defendant regularly failed to provide second meal periods to employees working shifts in excess of 10.0 hours. Plaintiff's expert's review of Defendant's timekeeping records reveals that 99.6% of all shifts over 10.0 hours did not reflect a legally

compliant second meal period. In total, approximately 43,178 shifts of over 10.0 hours lacked a compliant second meal period. Plaintiff's data analysis further showed that Defendant paid 36 meal period premiums during the entire Class Period. Plaintiff therefore calculated Defendant's maximum exposure for this claim at approximately \$943,516 [(43,178 violations – 36 meal premiums paid) × \$21.87 average meal period premium]. Defendant, however, argues it provided the opportunity for second meal periods on shifts exceeding 10.0 hours, consistent with *Brinker Rest. Corp. v. Superior Court*, 53 Cal.4th 1004 (2012), and that for shifts between 10.0–12.0 hours, employees voluntarily waived their second meal periods by mutual consent pursuant to Labor Code § 512(a). Defendant also argues that individualized inquires would preclude class certification of this claim. Plaintiff therefore discounted the maximum exposure by 45% for the risk of non-certification, and by an additional 45% for the risk of losing on the merits, or having the exposure reduced due to Defendant's waiver arguments, to arrive at an estimated exposure of \$285,414.

17. Plaintiff alleges that Defendant failed to provide legally compliant first meal periods such that first meal periods were regularly late (commencing after the fifth hour of work) and/or short (less than 30 minutes). Plaintiff also alleges that employee meal periods were often interrupted as Defendant required employees to have their cellular phone on them during their entire shift, including off-duty meal periods. Plaintiff's expert's review of Defendant's timekeeping records shows 7,306 shifts in excess of 6.0 hours that do not reflect a legally compliant first meal period. Plaintiff therefore calculated Defendant's maximum exposure for this claim at approximately \$159,782 (7,306 violations × \$21.87 average meal premium). In response, Defendant argues it has maintained compliant written policies throughout the Class Period and provided compliant meal periods in line with those policies. Defendant further argues that its timekeeping records accurately reflect meal period compliance. Defendant further contends that it always provided employees the opportunity to take meal periods and is not required to *ensure* they are taken. Thus, Defendant argues, any non-compliant meal periods were the result of lawful employee choice, rather than any policy and/or practice of Defendant. Defendant further argues that any alleged interruptions were isolated incidents, not evidence of a common policy or

1 practice. Plaintiff therefore discounted the maximum exposure by 40% for the risk of non-
2 certification, and by an additional 40% for the risk of losing on the merits, to arrive at an estimated
3 exposure of approximately \$57,522.

4 18. As a result of these alleged wage and hour violations, Plaintiff asserts that
5 Defendant failed to comply with its wage statement obligations, in violation of Labor Code § 226.
6 A total of 355 employees received 17,305 wage statements during the one-year statute of
7 limitations period. Labor Code § 226(e)(1) sets penalties at \$50 for initial violations and \$100 for
8 subsequent violations, capped at \$4,000 per employee. Plaintiff therefore calculated Defendant's
9 maximum exposure for this claim at approximately \$1,420,000 (355 employees × \$4,000 max
10 penalty per employee). Defendant, however, argues that any wage statement violations were not
11 "knowing and intentional" as required by Labor Code § 226(e), and that employees did not suffer
12 "injury" and that the wage statements always accurately reflected hours worked and amounts paid
13 to employees. Defendant further argues that since Plaintiff's wage statement claims are derivative
14 of his underlying claims, the wage statement claims would fail as well. Plaintiff therefore
15 discounted the maximum exposure by 45% for the risk of non-certification, and by an additional
16 50% for the risk of losing on the merits, to arrive at an estimated exposure of \$390,500.

17 19. In addition, as a result of the unpaid wages and unpaid meal and rest period
18 premiums alleged above, Plaintiff asserts that Defendant failed to pay all wages owed at the time
19 of his separation of employment with Defendant. Plaintiff's expert's data analysis showed that a
20 total of 453 employees are eligible for waiting time penalties. Under Labor Code § 203,
21 employees are entitled to their daily rate of pay for up to 30 days as a penalty for willful failure
22 to timely pay final wages. Based on an hourly rate of \$21.87, Plaintiff estimated the average
23 waiting time penalty per former employee to be \$5,249 (\$21.87 average hourly rate × 8 hours ×
24 30 days). Plaintiff therefore calculated Defendant's maximum exposure for this claim at
25 approximately \$2,377,797 (453 former employees × \$5,249 average waiting time penalty).
26 Defendant, however, contends it attempted to pay all final wages owed to separating employees
27 in good faith and within the statutory time limits. Defendant also invokes a good faith dispute
28 defense under 8 Cal. Code Regs. § 13520, arguing that any failure to include meal/rest period

premiums or overtime wages in final wages was based on a reasonable and good faith belief that such amounts were not owed. Defendant asserts that Plaintiff's waiting time penalty exposure was grossly inflated as not every former employee experienced the alleged Labor Code violations. Defendant further argues that waiting time penalties are derivative and fail if the underlying wage claims fail. Plaintiff therefore discounted the maximum exposure by 50% for the risk of non-certification, and by an additional 50% for the risk of losing on the merits, to arrive at an estimated exposure of \$594,449.

20. Finally, Plaintiff seeks civil penalties under the PAGA, based on the aforementioned claims. Plaintiff calculated Defendant's maximum PAGA exposure at \$1,730,500 (17,305 pay periods $\times$ \$100 "initial" violation rate). Defendant contends that since Plaintiff's PAGA claim is derivative of his underlying wage claims, Plaintiff's PAGA claim would fail with those claims. Defendant further maintains that given its good faith defenses, the Court would substantially reduce any PAGA penalties awarded. Plaintiff therefore discounted the maximum exposure by 65% for risk of losing on the merits and/or not recovering a PAGA penalty in each and every pay period, and by an additional 70% for the risk of the Court reducing penalties, to arrive at an estimated exposure of \$181,703.

21. Using these estimated figures for each of the claims described above, Plaintiff predicted that the potential realistic recovery for the Settlement Class would be approximately \$1,983,806. The proposed GSA of \$1,900,000.00 represents approximately 95.78% of the reasonably forecasted recovery for the Settlement Class. Preliminary approval is appropriate since the Settlement will provide significant monetary relief to the Settlement Class, which is consistent with what Plaintiff's counsel believes could have been recovered had the case proceeded through trial.

22. Although the Parties engaged in significant informal discovery prior to two mediations, the Parties still had significant formal discovery to complete had the matter not been settled. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiff was to certify the proposed classes, the Parties would incur considerably more attorneys' fees and costs through a possible

1 decertification motion, trial, and possible appeal. This Settlement avoids those risks and the
2 accompanying expense.

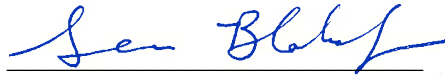
3 23. Class Counsel will also apply for an attorneys' fee award of up to 35% of the GSA
4 (currently estimated at \$665,000.00), and up to \$80,000.00 in reimbursement for actual litigation
5 costs. Plaintiff submits that the requested fee is fair compensation for undertaking complex, risky,
6 expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has
7 incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiff's
8 claims, conducting legal research, conducting extensive informal discovery, reviewing
9 Defendant's policies and extensive timekeeping/payroll data, retaining an expert to assist in
10 creating a comprehensive damages model, preparing a mediation brief and attending two
11 mediation sessions, negotiating the settlement, and preparing the preliminary approval papers.
12 Class Counsel will also expend future attorney time attending the hearing on this Motion,
13 overseeing the Notice process, drafting the Final Approval Motion and supporting documents,
14 attending the Final Approval hearing, and completing other tasks, such as fielding questions from
15 Settlement Class members. Class Counsel submits that the request for attorneys' fees is
16 reasonable when viewed as an overall percentage of the Settlement in light of the risks and work
17 undertaken, the positive results obtained for the class, and the efficiency with which Plaintiff
18 conducted the litigation.

19 24. At the time of seeking final settlement approval, Plaintiff will apply for a Class
20 Representative Service Award in the amount of \$10,000.00 for his service to the Settlement Class
21 and general release of all claims. As will be fully briefed at the time of final approval, Plaintiff's
22 requested Class Representative Service Award is intended to recognize the significant time and
23 effort that Plaintiff expended on behalf of the Settlement Class, including producing documents,
24 providing factual information, attending meetings with counsel, being available for mediation,
25 and reviewing settlement documents, and the significant risks Plaintiff undertook by serving as
26 the named Plaintiff, and the fact that he agreed to a general release of all claims subject to a waiver
27 of Civil Code § 1542.

28 25. Under the proposed Settlement in this case, uncashed funds will be sent to *cy pres*

1 recipient Legal Aid Society of San Bernardino. Neither I nor any attorney at my law firm have
2 any personal or financial interest and/or connection with Legal Aid Society of San Bernardino.

3 I declare under penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct. Executed on September 22, 2026, at El Segundo, California.

5 

6 Sean M. Blakely
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Joshua Kovacovsky (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Warehouse Services Logistics, LLC (hereinafter “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely, and Alexandra R. McIntosh of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Jamie E. Wrage and Amy J. Osborne of Stream Kim Hicks Wrage & Alfaro, PC.

On March 12, 2025, Plaintiff filed a class action complaint against Defendant in San Bernardino County Superior Court, in the matter entitled *Joshua Kovacovsky v. Warehouse Services Logistics, LLC*, Case No. CIVSB2507157 (the “Class Action”). On May 20, 2025, Plaintiff filed a representative action for civil penalties under the Private Attorneys General Act in San Bernardino Superior Court, in the matter entitled *Joshua Kovacovsky v. Warehouse Services Logistics, LLC*, Case No. CIVSB2520525 (the “PAGA Action”). As part of this Settlement, the Parties stipulate to the filing of a First Amended Class and Representative Action Complaint (“FAC”) in the Class Action to add a cause of action for civil penalties under the Private Attorneys General Act. The FAC alleges the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) waiting time penalties; (7) unfair competition; and (8) civil penalties under the Private Attorneys General Act. Once the FAC is filed in the Class Action, Plaintiff will request dismissal of the PAGA Action without prejudice and seek approval of this Stipulation of Settlement through the Class Action. The FAC, and all of the claims and causes of action alleged therein, shall be referred to as the “Action.”

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees employed by Defendant Warehouse Services Logistics, LLC in California from June 12, 2021 through August 17, 2026 (the “Class Period”).

The Parties agree that certification for purposes of this Settlement Agreement 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, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who opt out and except as to the PAGA claims specified below) will fully release and discharge Defendant, and all of its past and present officers, directors,

shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, (collectively the “Released Parties”), as follows:

- A. Upon the Effective Date and the complete funding of the Gross Settlement Amount, Settlement Class members will release all claims, demands, rights, liabilities and causes of action that were pled in the operative FAC that arose during the Class Period, including claims for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) waiting time penalties; and (7) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.
- B. **Release of PAGA Claims.** In addition, upon the Effective Date and complete funding of the Gross Settlement Amount, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from March 12, 2024 through August 17, 2026 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff’s Notification Letter to the Labor and Workforce Development Agency (“LWDA”) (“the PAGA Released Claims”).
- C. **Release by Plaintiff.** Upon Defendant’s complete funding of the Gross Settlement Amount, Plaintiff has agreed to release, individually and in addition to the Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers’ compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by 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.

- 3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary “Gross Settlement Amount” of One Million Nine Hundred Thousand Dollars and Zero Cents (\$1,900,000.00) 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 Gross Settlement Amount shall be deposited with the Settlement Administrator within sixty-five (65) calendar days of the Effective Date (which, for this purpose, shall be defined as the later of (1) date on which the Court enters an Order granting Final Approval of the Settlement Agreement or, (2) solely in the event that there are any objections to the Settlement Agreement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last date on which any appeal might be filed or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Twelve Thousand Dollars and Zero Cents (\$12,000.00);
 - (3) Up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for Plaintiff’s Class Representative Service Award, in recognition of his contributions to the Action and his service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement Agreement, and it will remain binding;
 - (4) Up to 35% of the Gross Settlement Amount in Class Counsel’s attorneys’ fees, 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 Eighty Thousand Dollars and Zero Cents (\$80,000.00). 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 this Settlement Agreement, and it will remain binding; and
 - (5) Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), sixty-five percent (65%) of such penalties, or Thirty-Two Thousand Five Hundred Dollars and Zero Cents (\$32,500.00) will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining thirty-five percent (35%), or Seventeen Thousand Five Hundred Dollars and Zero Cents (\$17,500.00), will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.
 - (6) Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the Settlement Class members who do not opt out.

- D. **Escalator Clause.** The Gross Settlement Amount is based on Defendant's representations that there are approximately 36,000 workweeks during the Class Period. If the Class Data establishes that the actual number of workweeks during the Class Period has increased by more than 10% (i.e., if there are 39,601 or more workweeks), then the Gross Settlement Amount shall increase proportionally above the 10% threshold (e.g., if there was 18% increase in the number of workweeks during the Class Period, Defendant would increase the Gross Settlement Amount by 8%). At Defendant's sole option, instead of increasing the Gross Settlement amount, Defendant may alternatively shorten the Class Period to a date where total workweeks do not exceed 39,601.
- E. Defendant's share of employer payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

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

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Service Award, the Settlement Administrator's fees and expenses for administration, and the total amount designated as PAGA civil penalties. 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 Award based on the following formula:
- i. Payments to all participating Settlement Class members: The Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member's proportionate Workweeks worked during the Class Period, and will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
 - ii. In addition to the Net Settlement Amount, the PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's gross number of pay

periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.

- C. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Award amounts and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days of approval by the Parties' counsel, the Settlement Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall issue payments for Class Counsel's approved attorneys' fees and costs, the Class Representative Service Award, and settlement administration costs after Individual Settlement Awards have been mailed to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- D. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: Any payment from the Net Settlement Amount shall be allocated as 45% as penalties, 45% as interest and 10% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Each member of the Settlement Class who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be placed in a *cypres* fund and awarded to Legal Aid Society of San Bernardino.
- F. Neither Plaintiff nor Defendant 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.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to 35% of the Gross Settlement Amount, which is currently estimated to be Six Hundred Sixty-Five Thousand Dollars and Zero Cents (\$665,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Eighty Thousand Dollars and Zero Cents (\$80,000.00)

from the Gross 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 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court. In the event that the Court reduces the requested amount of attorney's fees and/or costs, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

6. **Class Representative Service Award.** Defendant will not object to a request for a Class Representative Service Award of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for his time and risk in prosecuting this case, and his service to the Settlement Class. This award will be in addition to Plaintiff's respective Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested Service Award, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendant will not object to the appointment of ILYM Group, Inc. as Settlement Administrator. Defendant will not object to Plaintiff's request to the Court to pay up to Twelve Thousand Dollars and Zero Cents (\$12,000.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Awards and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wage portion of the Individual Settlement Awards, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Individual Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall also be responsible for posting the Final Judgment to its website.

8. **Preliminary Approval.** Within ninety (90) days after execution of this Settlement Agreement by the Parties, or such additional time as the Parties may agree to in writing, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines, Sean M. Blakely, and Alexandra R. McIntosh of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff as Class Representative 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 Class Notice and Notice of Estimated Individual Settlement Award, drafts of which

are attached hereto as **Exhibits A and B**, respectively), and directing the mailing of 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 after entry of an order preliminarily approving this Settlement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of workweeks worked by each Settlement Class member while employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- 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 Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (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 a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) 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 does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement 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 shall be the exclusive means used to determine whether a Request for Exclusion 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. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release all PAGA Released Claims, whether they submit a valid and timely Request for Exclusion or not.

- D. Objections. Members of the Settlement Class who do not request exclusion 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 Defendant's counsel, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any written objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing. Members of the Settlement class who request exclusion *may not* object to the Settlement.
- E. Notice of Estimated Individual Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Award as well as the workweek and pay-period information used to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Settlement Award, 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 Awards under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Award shall be binding upon the Settlement Class member and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline 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 fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member’s Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant’s Counsel to provide notice of the proposed settlement.

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

- A. Granting final approval of the Settlement and adjudging its terms to be fair, adequate, and reasonable;
- B. Approving Plaintiff’s and Class Counsel’s request for attorneys’ fees and reimbursement of costs, Class Representative Service Award, and settlement administration costs; and
- C. Entering Final Judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator’s website.

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. **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, 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.

13. **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 Defendant: Jamie E. Wrage of Stream Kim Hicks Wrage & Alfaro, PC, 3403 Tenth Street, Suite 700, Riverside CA, 92501; jamie.wrage@streamkim.com.

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

14. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

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

16. **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.

17. **Enforcement Action.** Consistent with the class action procedure, the Parties agree that the San Bernardino 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. 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.

DATED: 8/17, 2026

DEFENDANT WAREHOUSE SERVICES
LOGISTICS, LLC

By: 
Title: COO

DATED: 07/13, 2026

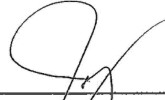
PLAINTIFF JOSHUA KOVACOVSKY

By: Joshua Kovacovsky
Joshua Kovacovsky (Jul 13, 2026 23:54:44 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: August 18, 2026

STREAM KIM HICKS WRAGE & ALFARO, PC

By: 

Jamie E. Wrage
Amy J. Osborne
Attorneys for Defendant

DATED: July 14, 2026

HAINES LAW GROUP, APC

By: 

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

JOSHUA KOVACOVSKY, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

WAREHOUSE SERVICES LOGISTICS, LLC, a
South Carolina limited liability company; and DOES 1
through 100, inclusive,

Defendants.

Case No. CIVSB2507157

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees employed by Defendant Warehouse Services Logistics, LLC in California from June 12, 2021 through August 17, 2026 (the “Class Period”). Collectively, these employees will be referred to as “Settlement Class members.”

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

Why should you read this notice?

The San Bernardino County Superior Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in the case of *Joshua Kovacovsky v. Warehouse Services Logistics, LLC*, San Bernardino Superior Court Case No. CIVSB2507157 (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. Defendant Warehouse Services Logistics, LLC’s (“Defendant”) records show that you were employed by Defendant in California as a non-exempt employee between June 12, 2021 through August 17, 2026 (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 by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Joshua Kovacovsky (“Plaintiff”) brought this Action against Defendant seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Defendant in California at any time during the Class Period. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

Plaintiff alleges that Defendant failed to provide Settlement Class members with all required meal and rest periods and that it failed to pay all minimum and overtime wages due to regular rate miscalculations and/or timekeeping policies and practices. The Action also alleges that as a result of these alleged violations, Defendant failed to provide Settlement Class members with accurate and complete wage statements and failed to timely pay all final wages at the time of separation of employment. As a result of the foregoing

alleged violations, Plaintiff alleges that Defendant engaged in unfair business practices and is liable for civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Defendant denies that it has done anything wrong. Defendant denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with its business operations, Defendant has concluded that it is in its best interests and the interests of Settlement Class members to settle the Action on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached after two mediation sessions and arm’s-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

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

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class members: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com Alexandra R. McIntosh amcintosh@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendant Warehouse Services Logistics, LLC: Jamie E. Wrage Jamie.wrage@streamkim.com Amy J. Osborne Amy.osborne@streamkim.com STREAM KIM HICKS WRAGE & ALFARO, PC 3403 Tenth Street, Suite 700 Riverside, CA 92501 Telephone: (951) 783-9470 Facsimile: (951) 783-9475
--	---

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 Defendant in California from June 12, 2021 through August 17, 2026. Settlement 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 Defendant as described below.

Defendant has agreed to pay \$1,900,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys’ fees and expenses, settlement administration costs, the amount designated as PAGA civil penalties, and the Class Representative’s Service Award.

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

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 \$12,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Settlement 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 Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to 35% of the Gross Settlement Amount, which is currently estimated to be \$665,000.00, 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 \$80,000.00 for verified costs Class Counsel incurred in connection with the Action.

Service Award to Class Representative. Class Counsel will ask the Court to award the Class Representative a service award in the amount of \$10,000.00 to compensate him for his service and extra work provided on behalf of the Settlement Class members.

PAGA Payment to State of California. \$32,500.00 will be paid to the California Labor & Workforce Development Agency (“LWDA”), representing 65% of the \$50,000.00 the parties have agreed to allocate to the settlement of Plaintiff’s claim on behalf of the Settlement Class members under the PAGA. The remaining \$17,500.00 will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

Calculation of Settlement Class Members’ Individual Settlement Awards. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$1,083,000.00 and will be divided as follows:

- (i) Payments to All Participating Settlement Class Members: The NSA will be distributed to all participating Settlement Class members based on each participating Settlement Class member’s proportionate Workweeks worked during the Class Period, and will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member’s number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class members during the Class Period.
- (ii) PAGA Amount: In addition to the NSA, the \$17,500.00 PAGA Amount will be allocated as follows: Each Settlement Class member who was employed by Defendant at any time from March 12, 2024 through August 17, 2026 (“PAGA Period”) (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member’s gross number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be placed in a *cy pres* fund and awarded to Legal Aid Society of San Bernardino.

Allocation and Taxes. For tax purposes, each Individual Settlement Award will be treated as follows: Any payment from the NSA shall be allocated as 45% as penalties, 45% as interest; and 10% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, and upon the complete funding of the Gross Settlement Amount, all Settlement Class members who did not submit a timely and valid Request for Exclusion, will release Defendant, and all of its past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (collectively the “Released Parties”) from all claims, demands, rights, liabilities and causes of action that were pled in the operative First Amended Class and Representative Action Complaint that arose during the Class Period, including claims for: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage statement violations; (6) waiting time penalties; and (7) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above (the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.

In addition, upon the complete funding of the Gross Settlement Amount, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from March 12, 2024 through August 17, 2026 (the “PAGA Period”) are “Aggrieved Employees” and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff’s Notification Letter to the Labor and Workforce Development Agency (“LWDA”) (“the PAGA Released Claims”).

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 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 during the Class Period, and the proportionate number of pay periods you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Individual Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period and the proportionate number of pay periods you worked during the PAGA Period. The information contained in Defendant’s records regarding each of these factors, along with your estimated Individual Settlement Award, is listed on the accompanying Notice of Estimated Individual Settlement Award. If you disagree with the information in your Notice of Estimated Individual Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Individual Settlement Award. 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 Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Awards under the terms of this

Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Awards will be binding on the Settlement Class member and the Parties.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Settlement Class members who worked for Defendant during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **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, you should mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. To be valid, any written objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S30-SBJC of the San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, California 92415. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case, which is *Joshua Kovacovsky v. Warehouse Services Logistics, LLC*, San Bernardino Superior Court Case No. CIVSB2507157. You do not need to object in writing to be heard at the Final Approval Hearing.

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 Settlement 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 S30-SBJC of the San Bernardino County Superior Court, located at 247 West 3rd Street, San Bernardino, California 92415. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement 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 Bernardino County Superior

Court, located at 247 West 3rd Street, San Bernardino, California 92415, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT, OR ITS 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.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT B

NOTICE OF ESTIMATED INDIVIDUAL SETTLEMENT AWARD

Joshua Kovacovsky v. Warehouse Services Logistics, LLC
SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. CIVSB2507157

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Settlement Award:

According to Defendant Warehouse Services Logistics, LLC (“Defendant”) records:

- (a) you worked [REDACTED] workweeks for Defendant in California as a non-exempt employee between June 12, 2021 through August 17, 2026; and
- (b) you worked [REDACTED] pay periods for Defendant in California as a non-exempt employee between March 12, 2024 through August 17, 2026.

Based on the above, your Individual Settlement Award is estimated at \$ [REDACTED].

(IV) If you disagree with items (a) and/or (b) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from Defendant’s records, Defendant’s records will control unless you are able to provide documentation that establishes otherwise, and that Defendant’s records are mistaken. If there is a dispute about whether Defendant’s information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the “Notice of Pendency of Class Action and Proposed Settlement” that accompanies this Form.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

Signature: _____

Date: _____

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

March 12, 2025

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Joshua Kovacovsky v. Warehouse Services Logistics, LLC*

To Whom It May Concern:

Please be advised that this law firm represents Joshua Kovacovsky (“Mr. Kovacovsky”) in claims arising from his employment with Warehouse Services Logistics, LLC, and Does 1 through 100 (collectively “Warehouse Services”). Mr. Kovacovsky is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to Warehouse Services’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of Warehouse Services’ non-exempt employees who worked for Warehouse Services in California during the one year immediately preceding the date of this letter through the present.

Warehouse Services is in the business of providing warehouse services and third-party logistics throughout the United States, including in California. Warehouse Services employed Mr. Kovacovsky in the non-exempt job position of “Inventory and Claims Clerk” (or similarly titled position) at its San Bernardino location. Mr. Kovacovsky was employed by Warehouse Services from approximately January 2013 until approximately February 14, 2025.

During Mr. Kovacovsky’s employment with Warehouse Services, Mr. Kovacovsky worked over 8.0 hours per workday and/or more than 40.0 hours per workweek but did not receive overtime compensation equal to one and one-half times her regular rate of pay for working overtime hours. Specifically, Warehouse Services paid Mr. Kovacovsky and other aggrieved employees non-discretionary incentive pay, including but not limited to shift premiums denoted on their wage statements as “Evening Shift” and/or other forms of pay that are not excludable from an employee’s “regular rate” of pay (hereinafter the aforementioned forms of pay are collectively referred to as “Incentive Pay”). However, Warehouse Services failed to properly calculate Mr. Kovacovsky’s and other aggrieved employees’ regular rates of pay as a result of their receipt of Incentive Pay, thereby miscalculating and underpaying the overtime wages owed to them.

Warehouse Services has also failed to pay Mr. Kovacovsky and other aggrieved employees for all hours worked, including (but not limited to) by requiring and/or permitting employees to work while off-the-clock. Specifically, Warehouse Services required Mr. Kovacovsky to perform work after he clocked out at the end of his shift, but did not compensate Mr. Kovacovsky for this time worked. This has resulted in Mr. Kovacovsky and other aggrieved employees not being paid all required wages for all hours worked, including minimum wages and overtime wages.

During his employment with Warehouse Services, Warehouse Services failed to provide Mr. Kovacovsky and other aggrieved employees with all legally compliant meal periods due to Warehouse Services' meal period policies/practices, which have resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of uninterrupted net time), and missed meal periods. Specifically, Mr. Kovacovsky was often provided with a late first meal period due to work demands imposed by Warehouse Services. Furthermore, Warehouse Services' meal period policies/practices failed to provide Mr. Kovacovsky and other aggrieved employees with a second timely, uninterrupted, duty-free 30-minute meal period when they worked shifts in excess of 10.0 hours. On those occasions when Mr. Kovacovsky and other aggrieved employees were not provided with all legally-required meal periods to which they were entitled, Warehouse Services failed to compensate Mr. Kovacovsky and other aggrieved employees with the proper meal period premiums for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7. Additionally, upon information and belief, during at least a portion of the relevant time period, Warehouse Services maintained no payroll code or other mechanism for payment of meal period premiums under Labor Code § 226.7 in the event a legally compliant meal period was not provided to their non-exempt employees.

During their employment with Warehouse Services, Mr. Kovacovsky and other aggrieved employees were not authorized and permitted to take all legally compliant rest periods due to Warehouse Services' rest period policies/practices, which fail to authorize and permit an off-duty rest period for every four hours worked, or major fraction thereof. On the occasions when Mr. Kovacovsky and other aggrieved employees were not provided with all of the legally compliant rest periods to which they were entitled, Warehouse Services failed to compensate Mr. Kovacovsky and other aggrieved employees with the required rest period premium at the regular rate of pay for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Warehouse Services maintained no payroll code or other mechanism for the payment of rest period premiums as required by Labor Code § 226.7 in the event a legally compliant rest period was not provided to their non-exempt employees.

During Mr. Kovacovsky's employment with Warehouse Services, Warehouse Services also failed to properly calculate the regular rate of pay when calculating their

employees' sick time pay, thus providing Mr. Kovacovsky and other aggrieved employees with sick time pay at below the regular rate of pay, in violation of California law.

As a result of Warehouse Services' failure to compensate Mr. Kovacovsky and other aggrieved employees for all minimum wages, overtime wages, all meal period and rest period premium wages, and sick time pay at the correct regular rate of pay, Warehouse Services maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements. As a further result of Warehouse Services' failure to compensate Mr. Kovacovsky and other aggrieved employees for all minimum wages, overtime wages, all meal period and rest period premium wages, and sick time pay at the correct regular rate of pay, Warehouse Services failed to pay Mr. Kovacovsky and other former non-exempt employees all wages owed at the time of their respective separations from employment.

As described above, Warehouse Services committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 9 ("Wage Order 9"):

Minimum Wage Violations

Warehouse Services was required to pay Mr. Kovacovsky and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 9, § 4. As alleged above, Warehouse Services failed to conform its pay practices to the requirements of the law by failing to pay Mr. Kovacovsky and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Warehouse Services and/or suffered or permitted to work under the California Labor Code and Wage Order 9. As a result of these policies/practices, which fail to compensate for all hours worked, Mr. Kovacovsky and other aggrieved employees were deprived of all required minimum wages.

Overtime Wage Violations

Warehouse Services was required to pay Mr. Kovacovsky and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 9, § 3. According to Labor Code § 510(a), "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." This Section further provides, "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." As alleged above, Warehouse Services caused Mr. Kovacovsky and other aggrieved employees to work overtime hours but did not compensate Mr. Kovacovsky and other aggrieved employees at one and one-

half times their regular rate of pay for such hours. As a result of these policies/practices, Mr. Kovacovsky and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, Warehouse Services failed to provide Mr. Kovacovsky and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 9, § 11. As a result, Mr. Kovacovsky and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... 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.”).

Rest Period Violations

As alleged above, Warehouse Services also failed to authorize and permit Mr. Kovacovsky and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 9, § 12. As a result, Mr. Kovacovsky and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, 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 period is not provided.”)

Wage Statement Violations

Warehouse Services was required to furnish Mr. Kovacovsky and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, the corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 9, § 7. As a result of Warehouse Services’ failure to pay all overtime, minimum, and double-time wages, and failure to pay all required meal and rest period premium wages, Warehouse Services maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Kovacovsky and other aggrieved employees in violation of Labor Code § 226. Warehouse Services’ failure to comply with its wage statement obligations was knowing and intentional, and Mr. Kovacovsky and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Warehouse Services failed to timely pay Mr. Kovacovsky and other aggrieved employees all of their final wages at the time of separation, which included all overtime, double-time, and minimum wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Warehouse Services' failure to pay all final wages due to Mr. Kovacovsky and other aggrieved employees was willful and, consequently, entitles Mr. Kovacovsky and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Warehouse Services failed to pay their final wages after their separation, up to a maximum of thirty days.

Failure to Pay Sick Pay at the Legal Pay Rate

Labor Code §246(l) requires that employees "shall calculate paid sick leave using any of the following calculations: (1) paid sick time for non-exempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek; (2) paid sick time for non-exempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment; (3) paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time." Warehouse Services failed to pay Mr. Kovacovsky and other aggrieved employees for paid sick days in a manner that fully complies with Labor Code § 246(l), failed to pay sick days at the regular rate of pay, and/or unlawfully paid sick days at the straight time or base rate of pay.

As an "aggrieved employee," Mr. Kovacovsky will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Kovacovsky's own investigation, and on information and belief, Warehouse Services committed and continues to commit the following Labor Code violations:

- a. Warehouse Services violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Kovacovsky and other aggrieved employees the statutory minimum wage for all hours worked;
- b. Warehouse Services violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Mr. Kovacovsky and other aggrieved employees all overtime compensation earned;
- c. Warehouse Services violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period

premiums to Mr. Kovacovsky and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

- d. Warehouse Services violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Kovacovsky and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Kovacovsky and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- e. Warehouse Services violated Labor Code § 226 by failing to furnish Mr. Kovacovsky and other aggrieved employees with accurate and compliant itemized wage statements;
- f. Warehouse Services violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Kovacovsky and other aggrieved employees;
- g. Warehouse Services have violated Labor Code §§ 245 *et seq.* by failing to pay Mr. Kovacovsky and other aggrieved employees sick pay at the employee's regular rate of pay.
- h. Warehouse Services violated Labor Code § 204 by failing to pay Mr. Kovacovsky and other aggrieved employees all wages earned at least twice during each calendar month; and
- i. Warehouse Services violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Kovacovsky and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Warehouse Services if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Warehouse Services Logistics, LLC (via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 03/13/2025

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8304 7726 05

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO, CA 90245 03/12/2025 16:37

ORIGINAL INTENDED RECIPIENT:

WAREHOUSE SERVICES LOGISTICS LLC

C/O: C T CORPORATION SYSTEM AGENT FOR SERVICE OF PROCESS

330 N BRAND BLVD STE 700

GLENDALE CA 91203-2336

ID - Kovacovsky, Joshua



Mailer: Haines Law Group

Date Produced: 03/17/2025

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8304 7726 05. Our records indicate that this item was delivered on 03/15/2025 at 04:22 a.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Section	
Signature	
Printed Name	Juan D. Lopez

Address of Recipient :

Delivery Address
330 N BRAND # 700

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

WAREHOUSE SERVICES LOGISTICS LLC
C/O: C T CORPORATION SYSTEM AGENT FOR SERVICE OF PROCESS
330 N BRAND BLVD
STE 700
GLENDALE CA 91203-2336

Customer Reference Number: C5729223.34741922

Return Reference Number ID - Kovacovsky, Joshua