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Attorneys for Plaintiff CHRISS SORENSEN, on behalf of himself and other aggrieved employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

CHRISS SORENSEN, on behalf of himself
and other aggrieved employees

Plaintiff,

v.

P.F. AUTOMOTIVE, LLC, a California
limited liability company; and DOES 1
through 100, inclusive,

Defendants.

) CASE NO. 37-2023-00025169-CU-OE-CTL

)

) [Assigned for all purposes to the Hon. Joel R.
Wohlfeil, Dept. C-73]

)

) **RESERVATION ID. 3075449**

)

) **DECLARATION OF AARON A. BARTZ
IN SUPPORT OF MOTION TO
APPROVE PAGA SETTLEMENT**

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) Date: March 15, 2024

) Time: 9:00 a.m.

) Dept.: C-73

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d. **PAGA Counsel Litigation Expenses Payment:** \$1,407;

e. Administration Expenses: \$4,750.

7. The Agreement covers the following “Aggrieved Employees”: Any and all persons within the State of California who are or were employed by Defendant between November 21, 2021 and the Effective Date. Based upon Defendants’ records, there are 189 aggrieved employees through the date of the PAGA period.

8. As part of the settlement, the aggrieved employees release only penalties recoverable under PAGA, and do not release any of their underlying wage claims.

Background of Case

9. This case arises out of alleged wage and hour violations committed by Defendant against their non-exempt employees in California. Prior to pursuing this case, I spoke at length with Plaintiff regarding the wage violations and potential claims that could be brought against Defendants. I also reviewed payroll and other personnel records of Plaintiff. Thereafter, on November 21, 2022, Plaintiff served his PAGA letter on the Labor and Workforce Development Agency (LWDA) and Defendant. Attached as **Exhibit 2** is a true and correct copy of Plaintiffs' PAGA letter. Thereafter, the parties entered into several tolling agreements to facilitate a possible early settlement. When that was not possible, Plaintiff then filed a Complaint on June 15, 2023, on behalf of himself and other aggrieved employees for Civil Penalties under PAGA based on Defendants' wage and hour violations, including failure to pay all wages, meal period and rest break violations, and other wage violations. Attached as **Exhibit 3** is a true and correct copy of Plaintiff's PAGA Complaint filed in this action.

10. After filing this action, the parties continued to explore a potential early resolution of the case. Defendant produced hundreds of pages of time, payroll and personnel records, including a sampling of time and payroll records for aggrieved employees, and related data and information. Based on my extensive experience in litigating PAGA claims, I also compiled an analysis of overall penalties that could be recovered in the event Plaintiff was successful on all of his claims.

11. In order to conserve financial resources, the parties elected to negotiate a settlement without the benefit of a mediator. For many months, the parties attempted to negotiate a settlement.

12. Ultimately, after months of back and forth negotiations between Plaintiff's counsel and Defendant's counsel, the parties were able to arrive at a fair settlement. Plaintiff did not settle this case until he had conducted sufficient investigation into the claims, and thoroughly reviewed Defendant's employment policies and pay records. At all times, the negotiations were non-collusive, and involved considerable disputes over payment terms. I believe that this is a very good settlement of the PAGA claims, which will not affect any aggrieved employee's right to pursue underlying Labor Code violations against Defendants if he or she chooses to do so.

Plaintiffs' Counsel Is Very Experienced In Representative And Class Actions

13. I am experienced class action counsel, including specializing in wage and hour and employment claims. Some of the class action litigation on which I have served as Class Counsel include:

- a. *Wilkins, et al. v. Equinox Holdings, Inc.*
Los Angeles Superior Court, No.: BC440058
- b. *TBC Retail Group Wage and Hour Cases*
Los Angeles Superior Court, No.: JCCP No. 4701
- c. *Casserly v. Randstad US, L.P., et al.*
U.S.D.C., Central District of California, No. SACV 12-1023-DOC(ANx)
- d. *Crilly v. Micro Electronics, Inc.*
Orange County Superior Court, No.: 30-2013-00662586-CU-OE-CXC
- e. *Concho, et al. v. Pipeline Carriers, Inc. et al.*
Orange County Superior Court, No.: 30:2013-00649600-DU-OE-CXC
- f. *Holsted et al. v. R.J. Noble Company et. al.*
Orange County Superior Court, No.: 30:2010-00379770-CU-OE-CXC
- g. *Piggue v. Chief Protective Services, Inc.*

- 1 Orange County Superior Court, No.:30-2013-00688107-CU-OE-CXC
- 2 h. *Walsh v. Pacific Bell Telephone Company*
- 3 Orange County Superior Court, No.:30-2011-00498062-CU-OE-CXC
- 4 i. *Woods v. JFK Memorial Hospital*
- 5 Riverside County Superior Court, No.: INC 1205209
- 6 j. *Ramirez et. al v. Titan Insurance of New Mexico*
- 7 Riverside County Superior Court, No.: RIC1211890
- 8 k. *DeSantos v. Jaco Oil Company, et al.*
- 9 U.S.D.C. Eastern District of California, No. 1:14-CV-00738-JLT
- 10 l. *Duran v. Big 5 Corp.*
- 11 Los Angeles Superior Court, Case No. BC557154
- 12 m. *Sheahan v. Celtic Leasing Corporation, Inc.*
- 13 Orange County Superior Court No.: 30-2016-00852151-CU-OE-CXC
- 14 n. *Panasis v. Control4 Corporation*
- 15 United States District Court, Central District of California
- 16 Case No. SACV-16-1179-DOC
- 17 o. *O&R Construction, LLC v. Dun & Bradstreet, et al.*
- 18 United States District Court, Western District of Washington
- 19 Case No. C12-2184 TSZ
- 20 p. *Matthews v. Whelan Security of California, Inc.*
- 21 Orange County Superior Court, No.: 30-2016-00833250-CU-OE-CXC
- 22 q. *Rodriguez v. R.J. Noble Company (Navarro/Kles)*
- 23 Orange County Superior Court, No.: 30-2017-00916018-CU-OE-CXC
- 24 r. *Wang v. Fountain Valley Regional Hospital and Medical Center*
- 25 Orange County Superior Court, No. 30-2015-00821329-CU-OE-CXC
- 26 s. *Skerl v. Sutter Bay Hospitals*
- 27 San Mateo Superior Court, No. 21-CV-02057
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1 14. I graduated from Vanderbilt University in 1992 with a Bachelor of Arts in
2 Economics and English, and graduated from Southwestern Law School in 1998. Since becoming
3 a lawyer in 1998, my practice has focused on complex litigation matters, and for more than a
4 decade, complex employment law and wage and hour matters.

5 15. I am a member of the California State Bar, the Orange County Bar Association,
6 Los Angeles County Bar Association, and the California Employment Lawyers Association. I
7 have an AV rating from Martindale-Hubbell, the highest possible rating for a lawyer. During my
8 25-year career, I have handled many successful employment law matters both at the trial and
9 appellate levels. I estimate that I have represented plaintiffs in hundreds of different
10 employment cases, the vast majority of which have resulted in favorable settlements, awards
11 and/or verdicts for my clients. I have successfully prosecuted and obtained significant recoveries
12 in several class action lawsuits and other lawsuits involving complex legal and factual issues. In
13 2015, I was co-lead counsel in *Walsh v. Pacific Bell*, which settled for \$16,800,000. Recently, in
14 the *Skerl v. Sutter Bay Hospitals* case above, the parties settled for \$12,000,000. I have also been
15 involved in many other million and multi-million dollar verdicts and settlements over the years.

16 **Evaluation of the PAGA Claims**

17 16. Plaintiff seeks PAGA penalties only in this case. The sole PAGA claim that is at
18 issue in this settlement concerns Defendants' failure to: (1) pay all wages owed, including
19 overtime compensation; (2) provide duty-free meal periods; (3) authorize and permit duty-free
20 rest periods; (4) pay all wages due upon termination; and (5) properly maintain and submit
21 accurate itemized wage statements.

22 a. Unpaid wages

23 California Labor Code § 510(a) and the applicable Wage Orders regulating payment of
24 wages in the State of California, provide that eight (8) hours of labor constitutes a day's work
25 and any work in excess of eight (8) hours in one (1) workday and any work in excess of forty
26 (40) hours in any one workweek shall be compensated at the rate of no less than one and one-
27 half times the regular rate of pay for each employee and any work in excess of twelve (12)
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1 hours in any one workday shall be compensated at the rate of no less than twice the regular rate
2 of pay for each employee.

3 Plaintiff contends that Defendant has committed wage violations in that it borrows from
4 different pay periods to satisfy the minimum wage, as set forth in *Peabody v. Time Warner*
5 *Cable, Inc.*, 59 Cal.4th 662 (2014). Plaintiff further contends that Defendant fails to pay all
6 overtime owed because it does not pay the proper regular rate of pay on all overtime hours
7 worked.

8 Defendant contends that it has numerous defenses to Plaintiff's unpaid wage claims,
9 including that it did pay the proper minimum wage and overtime compensation, and that
10 Defendant fully complies with Labor Code section 204.1, which deals with paying
11 commissioned car salespersons. Defendant further argues that its detailed pay plans are lawful
12 under *Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017).

13 Pursuant to Labor Code § 558, penalties for regular rate violations are \$50 for the first
14 pay period, and \$100 for each subsequent pay period. Thus, the maximum potential PAGA
15 penalties for the unpaid wage claim is \$402,500, which is calculated as follows: 189 [number
16 of aggrieved employees] x \$50 [first pay period penalty] + 3929 [number of subsequent pay
17 periods] x \$100 [subsequent pay period penalty] = \$402,350. Plaintiff believes this is one of his
18 strongest claims, and therefore believes he had a 50% chance of success on the unpaid wage
19 theory. Nevertheless, Labor Code section 2699(e)(2) also gives a trial court broad discretion to
20 reduce PAGA penalties: "[A] court may award a lesser amount than the maximum civil penalty
21 amount specified by this part if, based on the facts and circumstances of the particular case, to
22 do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."
23 Case law supports a trial court's discretion in downgrading penalties based on these factors. *See*
24 *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal.App.4th 1112, 1135-1136 (2012) (no
25 abuse of discretion by reducing penalty by 30 percent). Thus, Plaintiff believes that the real
26 value of the unpaid wage penalties is \$140,823 (\$402,350 x .5 [chances of success] x .7 [court
27 discretion] = \$140,823).

1 b. Meal period violations

2 Plaintiff contends that Defendant failed to provide Plaintiff and other aggrieved
3 employees thirty-minute duty-free meal periods for every five hours of work as is required by
4 Labor Code § 512, the applicable wage orders, and in violation of *Brinker Restaurant Corp. v.*
5 *Superior Court*, 53 Cal.4th 1004 (2012). In *Brinker*, the California Supreme Court held that
6 “under ... Labor Code § 512, subdivision (a), an employer must relieve the employee of all duty
7 for the designated period.” *Id.* at 1034.

8 Plaintiff alleges that Defendant fail to provide duty-free, uninterrupted meal periods, and
9 that because of the staffing of Defendant’s dealership, meal periods were difficult to take.
10 Defendant contends that it fully complied with California’s meal period requirements, has
11 specific compliant policies governing the taking of meal periods, and Defendant had no duty to
12 ensure that meal periods were taken, pursuant to *Brinker*. Defendant further argues that
13 individual issues will predominate because of the various scenarios affecting different classes of
14 employees working for Defendant. As such, Defendant claims that PAGA claims must meet a
15 manageability requirement. *See Wesson v. Staples The Office Superstore, LLC*, 68 Cal.App.5th
16 746 (2021) (holding that courts have inherent authority to ensure the manageability of PAGA
17 claims).

18 The maximum potential PAGA penalties recoverable for meal period violations are
19 approximately \$805,000. Given that PAGA allows penalties of \$100 per pay period and a
20 subsequent penalty of \$200 per pay period, the amount is calculated as follows: 189 [number of
21 aggrieved employees] x \$100 [first penalty amount] + 3929 [subsequent pay periods] x \$200
22 [subsequent penalty amount] = \$805,000. Based on the various issues raised above regarding
23 proving meal period violations, Plaintiff believes that he has a 10% chance of proving all of
24 those penalties. Thus, Plaintiff believes that the real value of the meal period penalties is
25 \$56,350. (\$805,000 x .1 [chances of success] x .7 [court discretion] = \$56,350).

26 c. Rest period claims

27 Section 12(A) of the IWC Wage Order(s) states: “Every employer shall authorize and
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1 permit all employees to take rest periods, which insofar as practicable shall be in the middle of
2 each work period. The authorized rest period time shall be based on the total hours worked daily
3 at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.
4 However, a rest period need not be authorized for employees whose total daily work time is less
5 than three and one-half (3½) hours. Authorized rest period time shall be counted as hours
6 worked for which there shall be no deduction from wages.”

7 Section 12(B) of the IWC Wage Order(s) states: “If an employer fails to provide an
8 employee a rest period in accordance with the applicable provisions of this order, the employer
9 shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for
10 each workday that the rest period is not provided.”

11 Under *Brinker, supra*, the California Supreme Court found that employers have a “duty
12 to make a good faith effort to authorize and permit rest breaks in the middle of each work
13 period. . .” *Brinker, supra*, 53 Cal.4th at 1031. Plaintiff alleges that rest periods were not
14 authorized or permitted because he and other aggrieved employees were not able to take them
15 due to the demands of work, and because of the short staffing at Defendant’s dealership.

16 Defendant contends that it complied with California’s rest period requirements, and
17 produced a rest period policy that facially complies with California law. Defendant also
18 contends each employee knew and actually took their rest breaks as desired.

19 Plaintiff calculates total penalties on the rest period claim of \$805,000. Given that
20 PAGA allows penalties of \$100 per pay period and a subsequent penalty of \$200 per pay
21 period, the amount is calculated as follows: 189 [number of aggrieved employees] x \$100 [first
22 penalty amount] + 3929 [subsequent pay periods] x \$200 [subsequent penalty amount] =
23 \$805,000. Given Defendant’s facially valid rest period policy, and potential individual issues
24 relating to proving rest break violations, Plaintiff believes he had a 5% chance of recovering all
25 of the above penalties on the rest period claim, in the absence of other mitigating factors. Given
26 that a court has discretion regarding the amount of penalties to be assessed, Plaintiff therefore
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believes the real exposure of PAGA penalties on the rest period claim is approximately \$28,175. (\$805,000 x .05 [chances of success] x .7 [court discretion] = \$28,175).

d. Failure to pay all wages on termination

Plaintiff further alleges that pursuant to Labor Code §203, aggrieved employees terminated from Defendant's employment are entitled to a default penalty pursuant to Labor Code § 2699, because Defendant did not pay them all wages due upon separation. Such a claim is derivative, and for the same reasons as stated above, Defendant contends no wages are due, and thus no penalties owed under PAGA. Defendant further argues that its failure to pay wages upon separation was not "willful," in that the law is uncertain as to claims asserted in this case or whether the failure to pay is due to a good faith dispute. *See Barnhill v. Robert Saunders & Co.*, 125 Cal.App.3d 1, 8 (1981) (employer's failure to pay is not willful if its failure is due to uncertainty in the law); *Road Sprinkler Fitters Local Union No. 669 v. G & G Fire Sprinklers, Inc.*, 102 Cal.App.4th 765, 782 (2002) (willfulness not met if defendant's failure to pay a result of a "good faith mistaken belief that wages are not owed"). A "good faith dispute" occurs when an employer "presents a defense, based in law or fact which, if successful, would preclude any recovery on the part of the employee." *Naranjo v. Spectrum Sec. Servs., Inc.*, 88 Cal.App.5th 937, 944 (2023) (petition for review granted). The fact that the defense may ultimately be unsuccessful is not determinative as only defenses that "are unsupported by any evidence, are unreasonable, or are presented in bad faith" preclude a finding of a good faith dispute. *See Naranjo*, 88 Cal.App.5th at 945; *see also Estrada v. Royalty Carpet Mills, Inc.* 76 Cal.App.5th 685, 729 (2022).

Plaintiff calculates PAGA penalties on this claim of \$18,900. This was calculated by multiplying 189 [terminated employees] by \$100 [default penalty]. Based on the heightened willfulness standard, Plaintiff estimates that the real exposure of this claim is 10% of those total penalties. Moreover, Plaintiff applies the same discounts as set forth above in the above analysis as to the court's discretion to reduce penalties. As such, Plaintiff believes the real exposure on this claim to be \$1,323 (\$18,900 x .1 [chances of success] .70 [court discretion] = \$1,323).

1 e. Improper pay stubs

2 Plaintiff further alleges that Defendant failed to provide proper pay statements that
3 complied with Labor Code § 226.

4 Plaintiff alleges similar theories of liability as above with respect to the paystub claim,
5 i.e. that the wage statements are defective because they do not reflect all wages owed, and fail to
6 show premium payments for missed meal and rest periods. *See Naranjo v. Spectrum Security*
7 *Servs., Inc.*, 13 Cal.5th 93 (2022). Plaintiff further alleges that to obtain PAGA penalties for pay
8 stub violations, a plaintiff need not satisfy the “injury” or “knowing and intentional”
9 requirements of Labor Code section 226(e)(1). *See Raines v. Coastal Pacific Food*
10 *Distributors, Inc.*, 23 Cal.App.5th 667 (2018).

11 On the other hand, Defendant argues derivative violations of Labor Code § 226 do not
12 give rise to pay stub violations upon which PAGA penalties arise. *See Maldonado v. Epsilon*
13 *Plastics, Inc.*, 22 Cal.App.5th 1308 (2018); *see also Culley v. Lincare Inc.*, 236 F.Supp.3d 1184,
14 1195-1196 (E.D. Cal. 2017). Defendant further argues that any such violations were
15 inadvertent, and therefore not actionable. *See Heritage Residential Care, Inc. v. Division of*
16 *Labor Standards Enforcement*, 192 Cal.App.4th 75 (2011).

17 Plaintiff calculates pay stub penalties to be approximately \$805,000. Given that PAGA
18 allows penalties of \$100 per pay period and a subsequent penalty of \$200 per pay period, the
19 amount is calculated as follows: 189 [number of aggrieved employees] x \$100 [first penalty
20 amount] + 3929[subsequent pay periods] x \$200 [subsequent penalty amount] = \$805,000.
21 Plaintiff believes he had a 10% chance of recovering all of the potentially recoverable civil
22 penalties. Moreover, Plaintiff applies the same discounts as set forth above in the analysis as to
23 the court’s discretion to reduce penalties. As such, Plaintiff believes the real exposure on this
24 claim to be \$56,350. ($\$805,000 \times .1$ [chances of success] $\times .7$ [court discretion] = \$56,350).

25 f. Total exposure to PAGA penalties

26 Based upon the alleged Labor Code violations, Plaintiff believes the total actual PAGA
27 exposure is approximately \$283,021. Based on a settlement value of \$115,000, this amounts to
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1 approximately 41% of the total exposure to PAGA penalties. Plaintiff believes this to be a very
2 good result, given that Defendant has valid defenses to Plaintiff's claims. Moreover, there is a
3 substantial question as to whether a trial court will even award cumulative penalties sought by
4 Plaintiff for alleged multiple Labor Code violations because there is no established precedent
5 for such an award.¹ Even to the extent any violations are proven, Defendant argues that any
6 heightened penalties from subsequent violations are not warranted. *See Amaral v. Cintas Corp.*
7 *No. 2*, 163 Cal.App.4th 1157, 1208-1209 (2008) ("Until the employer has been notified that it is
8 violating a Labor Code provision. . . , the employer cannot be presumed to be aware that its
9 continuing underpayment of employees is a 'violation' subject to penalties").

10 The purpose of the PAGA is to "achieve maximum compliance with [California's] labor
11 laws." *See Iskanian v. CLS Transp. Los Angeles, LLC*, 59 Cal.4th 348, 379 (2014). The penalties
12 recovered here on behalf of the State and aggrieved employees achieve that purpose.

13 **Attorneys' Fees and Costs**

14 17. To date, my firm Bartz Law Group, APC has spent approximately 52 hours on
15 this action and has incurred more than \$39,000 in fees. The fees incurred were reasonable and
16 necessary in order to prosecute this case. My billing rate of \$850 per hour and my co-counsel's
17 billing rate of \$725 an hour are in line with other firms' billing rates for similar work, and
18 generally, lower based on our collective experience and results achieved in other cases. In
19 connection with this PAGA settlement, Plaintiffs' counsel requests attorneys' fees of \$38,333, or
20 one-third of the gross settlement amount. This amount is less than my firm's lodestar in this
21 case, and does not include fees incurred in this matter by United Employees Law Group, and I
22 believe that pursuant to *Laffitte v. Robert Half Int'l, Inc.*, 1 Cal.5th 480 (2016), such a recovery is
23 fair and reasonable in this case, given the work expended and the results achieved in this case.
24 Bartz Law Group APC has also incurred \$1,407 in out of pocket costs, all of which were

25 _____
26 ¹ While there are cases allowing for the "stacking" of penalties when it comes to evaluating the
27 "amount in controversy" where a case has been removed to federal court (*see Schiller v. David's*
28 *Bridal, Inc.*, 2010 WL 2793650 (E.D. Cal. July 14, 2010)), it appears to be an open question
whether such "stacked" penalties may be awarded when they potentially overlap and "double
count" remedies for similar violations.

1 reasonable and necessary in prosecuting this action. Attached as **Exhibit 4** is a true and correct
2 copy of the attorneys' fees to date incurred to prosecute this action. Attached as **Exhibit 5** is a
3 true and correct copy of the litigation expenses incurred in this action.

4 18. Plaintiffs' counsel has also retained Xpand Legal to administer the settlement in
5 this case. The Settlement Administrator provided a not to exceed bid for \$4,750 to administer
6 the settlement. The Settlement Administrator's bid is attached hereto as **Exhibit 6**.

7 19. I am aware of no actual or potential conflicts of interest between Plaintiffs'
8 counsel or any of the aggrieved employees in this case and/or the settlement administrator.
9 Moreover, I am not aware of any other pending matters or actions that assert similar claims as
10 the ones asserted herein, that will be extinguished or adversely affected by this PAGA
11 settlement.

12 20. My office provided notice of the proposed settlement and all documents filed in
13 support of this motion for PAGA settlement approval to the LWDA via uploading the documents
14 the California DIR/LWDA's website on the same date as the filing of the instant motion.

15 I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct. Executed on January 14, 2024, at Irvine, California.

17 //Aaron A. Bartz//
18 Aaron A. Bartz
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EXHIBIT 1

PAGA SETTLEMENT AGREEMENTⁱ

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Chriss Sorensen (“Plaintiff”), on behalf of similarly situated aggrieved PAGA members, and Defendant P.F. Automotive, LLC. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” the matter entitled *Chriss Sorensen v. P.F. Automotive, LLC, et al.*, San Diego County Superior Court Case No. 37-2023-00025169-CU-OE-CTL, filed on or about June 15, 2023.
- 1.2 “Administrator” means Xpand Legal, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4 “Aggrieved Employees” consists of all persons within the State of California who are or were employed by Defendant in the State of California during the PAGA Period (defined below).
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number and number of PAGA Pay Periods.
- 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces and direct contact by the Administrator with Aggrieved Employees.
- 1.7 “Court” means the Superior Court of California, County of San Diego.
- 1.8 “Defense Counsel” means Danielle Hultenius Moore and Keia James Atkinson of Fisher & Phillips LLP.
- 1.9 “Effective Date” means the date by when the Court enters a Judgment on its Order Approving the PAGA Settlement.
- 1.10 “Gross Settlement Amount” means \$115,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross

Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administrator's Expenses Payment.

- 1.11 "Individual PAGA Payments" mean the Aggrieved Employees' pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employees each worked during the PAGA Period.
- 1.12 "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.13 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.14 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.15 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.16 "PAGA Counsel" means Aaron Bartz of the Bartz Law Group, APC and Walter Haines of United Employees Law Group, PC, the attorneys representing the Plaintiff in the Action.
- 1.17 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.18 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19 "PAGA Period" means the period from November 21, 2021 through the Effective Date.
- 1.20 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).
- 1.21 "PAGA Notice" means Plaintiff's November 21, 2022, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.22 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$16,916.67) and the 75% to LWDA (\$50,750) in settlement of PAGA claims.
- 1.23 "Plaintiff" means Chriss Sorensen, the named plaintiff in the Action.

- 1.24 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25 “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.26 “Released Parties” means Defendant, and each of Defendant’s former and present directors (including but not limited to William W. Knight, Jr. and Roger S. Penske, Jr.), officers (including but not limited to William W. Knight, Jr. and Roger S. Penske, Jr.), shareholders (including but not limited to William W. Knight, Jr. and Roger S. Penske, Jr.), owners, employees (including but not limited to William W. Knight, Jr. and Roger S. Penske, Jr.), members, attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates.
- 1.27 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28 “Defendant” means named Defendant P.F. Automotive, LLC.

2. RECITALS.

- 2.1 On November 21, 2022, pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by submitting the PAGA Notice.
- 2.2 On January 25, 2023 and March 23, 2023, the Parties entered into an agreement to toll Plaintiff’s claim for PAGA penalties, with the final tolling deadline of June 25, 2023.
- 2.3 On June 15, 2023, Plaintiff commenced this Action by filing a Complaint alleging a claim for Civil Penalties for Violations of the Labor Code (Cal. Lab. Code, § 2698, et seq.) (the “Operative Complaint”). Specifically, Plaintiff’s Complaint identified “violations of the Labor Code, including, but not limited to Labor Code §§201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1198, 1198.5, 2699, and all applicable Industrial Welfare Commission (“IWC”) Orders.” (Operative Complaint at ¶1). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.
- 2.4 On September 13, 2023 September 25, 2023 and October 19, 2023, the Parties stipulated to extending the responsive pleading deadline in order to facilitate direct settlement negotiations between the Parties, with a final responsive pleading deadline of November 17, 2023. On that same date, the Court continued the stay with respect to Defendant’s filing of a responsive pleading until February 16, 2024.

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- 2.5 On November 17, 2023, after months of direct negotiations between the Parties, the Parties agreed to resolve this matter for a negotiated sum.
- 2.6 The Parties have entered into a separate Confidential Settlement Agreement and Release (the “Individual Settlement Agreement”) regarding Plaintiff’s individual, non-PAGA claims. In the Individual Settlement Agreement, Plaintiff provides and general release and expressly waives and relinquishes, among other things, the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code. The Individual Settlement Agreement is contingent on Court approval of this Agreement, and this Agreement is contingent on execution and compliance with the Individual Settlement Agreement.
- 2.7 The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$115,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (33.33%), which is currently estimated to be \$38,333.33, and PAGA Counsel Litigation Expenses Payment not to exceed \$2,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff’s Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses

Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$5,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$67,666.67 to be paid from the Gross Settlement Amount, with 75% (\$52,250) allocated to the LWDA PAGA Payment and 25% (\$17,416.67) allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$17,416.67) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates there are 186 Aggrieved Employees.

4.2 Aggrieved Employee Data. Within 15 days of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good
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faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

- 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
 - 4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
 - 4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the aggrieved employees who have cashed their checks, on a pro rata basis.
 - 4.4.4 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

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5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, the Aggrieved Employees and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Release by Aggrieved Employees:

All Aggrieved Employees will be bound by a release of all claims for civil penalties that were alleged or could have been alleged in the Operative Complaint under the Labor Code and PAGA (including but not limited to meal period violations and failure to pay premiums; rest period violations and failure to pay premiums; failing to properly maintain and submit accurate itemized wage statements; failure to maintain accurate records; failure to timely pay wages during employment; failure to pay minimum, regular, and overtime wages; failure to reimburse; and failure to timely pay final wages and waiting time penalties associated therewith;) and that arose during the PAGA Period.

5.2 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.**

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), and this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than

30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Xpand Legal to serve as the Administrator and verified that, as a condition of appointment, Xpand Legal agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.3 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES.

Based on its records, Defendant estimates that there are 189 Aggrieved Employees who worked 4,118 Pay Periods during the PAGA Period.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and

appellate proceedings, the right to file motions to vacate judgment, motions for new trial, and extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. Plaintiff and PAGA Counsel agree that they have not and will not publish the resolution of this case. PAGA Counsel shall not report the resolution of this case in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the claims of the Aggrieved Employees, or the resolution of this case on their website which identify Plaintiff or Defendant by name, and shall not contact any reporters or media regarding the resolution of this case. However, PAGA Counsel is authorized to make disclosure to the Court for the purpose of obtaining the approval of the settlement and may discuss the settlement with the Aggrieved Employees and the Administrator. This disclosure is limited to court filings and neither Plaintiff, PAGA Counsel, nor their representatives are permitted to disseminate or publish, distribute or discuss the information provided to the Court in those filings outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the Court. Plaintiff may disclose the terms of the Settlement with his tax advisor, attorneys, and spouse.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of
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all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Bartz Law Group, APC
Attn: Aaron Bartz
5151 California Ave., Suite 100
Irvine, California 92617

To Defendant:

Fisher & Phillips LLP
Attn: Danielle Hultenius Moore
4747 Executive Drive, Suite 1000
San Diego, CA 92121

[The Remainder of This Page Intentionally Left Blank]

- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

DocuSigned by:

F7CEFF9F4ED04D6...

CHRISS SORENSEN

12/29/2023

(date)

FOR P.F. AUTOMOTIVE, INC.

(date)

- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

CHRISS SORENSEN

(date)



FOR P.F. AUTOMOTIVE, INC. LLC

1-9-24

(date)

EXHIBIT 2

BARTZ LAW GROUP, APC

5151 California Ave., Suite 100

Irvine, California 92617

(949) 504-4413

November 21, 2022

Notice Via Online Submission

PAGA Administrator
California Labor and Workforce Development Agency

Via Certified Mail (Return Receipt Requested)

P.F. Automotive, LLC
c/o Agent for Service of Process
CT Corporation System
330 N. Brand Blvd.
Glendale, CA 91203

Re: *PAGA Letter – Chriss Sorensen v. P.F. Automotive, LLC*

Dear PAGA Administrator:

Please be advised that the law firm of Bartz Law Group, APC represents Chriss Sorensen and all other similarly situated aggrieved employees (“Plaintiffs”) with respect to their employment with P.F. Automotive, LLC (“Employer” or “P.F.”).

The Employer has committed numerous violations of the California Labor Code, including, but not limited to, sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, and 1198. The facts and theories to support the alleged violations are set forth herein.

Employer is an auto dealership that sells and services cars in California. Plaintiff Sorensen was employed as a non-exempt assistant service manager for P.F. between 2021 and 2022. Plaintiffs are similarly aggrieved non-exempt employees who worked for P.F. in California within the last year, and were subject to the same wage and hour violations as Plaintiff Sorensen.

A. Failure to Pay All Wages

Employer has regularly failed to pay Plaintiff Sorensen and all other aggrieved employees all wages that they are owed, including minimum wages and overtime compensation, based upon Employer’s pay plan and related policies and procedures. For example, Employer borrows from different pay periods and averages compensation to purportedly satisfy the minimum wage, in violation of *Peabody v. Time Warner Cable, Inc.*, 59 Cal.4th 662 (2014). Employer also fails to pay all overtime owed during each pay period, by among other things, failing to pay Plaintiffs at their regular rate of pay for overtime hours worked during a pay period.

Employer further fails to pay Plaintiffs all compensation owed because Plaintiffs are subject to commission plans, but Employer fails to pay for all non-productive time, instead artificially allocating certain amounts per pay period that do not fully compensate Plaintiffs for all non-productive time worked.

Employer further fails to pay Plaintiffs all compensation owed because Plaintiffs frequently are forced to work off the clock, including to get their work done after hours, and for online training at home that Employer required Plaintiffs to perform without compensation.

Labor Code § 204(a) provides in pertinent part that “[a]ll wages, other than those mentioned in [Labor Code] Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month.”

Pursuant to Labor Code § 204(b)(1), moreover, “all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.” Here, Employer did not pay Plaintiffs’ all wages owed in a timely manner, based on the allegations above, thereby violating Labor Code § 204.

B. Meal Breaks

Employer adopted, implemented and enforced uniform meal period policies that are not lawful under California law. Employer is required to provide a first meal period no later than the end of the 5th hour of work, and a second meal period no later than the end of the 10th hour of work. Because of the nature of jobs assigned to Plaintiffs, their meal periods often were late, missed, or short, because Plaintiffs were required to finish attending to customers before taking their required meal period. Moreover, Plaintiffs frequently must work through their meal periods, and even when getting their meal period, Plaintiffs are often interrupted and/or otherwise meal periods are taken while Plaintiffs are still attending to a job, and as such, the meal periods are not duty-free.

Employer has also failed to pay Plaintiffs one hour of pay at their regular rate of pay for each workday that a compliant meal period was not provided. As such, Employer has violated Labor Code §§ 226.7 and 512.

C. Rest Breaks

Employer failed to adopt, implement, or enforce a rest break policy that complied with California law. Employer fails to authorize and permit Plaintiffs to take duty-free rest periods of 10 minutes for every four hours worked or major fraction thereof, failed to provide a second duty-free rest period of 10 minutes for shifts between 6-10 hours and failed to provide a third duty-free rest period of 10 minutes for shifts in excess of 10 hours. Further, Employer coerces and/or creates incentives to forego rest periods to meet Employer’s sales goals, and frequently interrupts Plaintiffs’ rest periods to get their work done. As a result of Employer’s rest break violations, Employer has violated Labor Code section 226.7.

Employer also failed to pay Plaintiff Sorensen or the other aggrieved employees’ one hour of pay at their regular rate of pay for each workday that a compliant rest period was not authorized or permitted. As such, Employer has violated Labor Code §§ 226.7 and 512.

D. Wage Statement Violations

In conjunction with the above-referenced violations, Employer willfully failed to provide properly itemized wage statements to Plaintiffs pursuant to Labor Code section 226. Violations include, but are not limited to: an inaccurate showing of wages due and owing, failing to include gross wages earned as a result of not showing meal and rest period premium payments on Plaintiffs' paystubs, and failing to show all hourly rates in effect and the corresponding number of hours at each hourly rate. The failure to provide accurate itemized wage statements violates Labor Code § 226 and 1174.

E. Waiting Time Penalties

Employer willfully failed and refused to timely pay all compensation due and owing to Plaintiffs whose employment was terminated during the relevant time period, by failing to pay overtime, straight time and minimum wages for all hours worked, failing to pay Plaintiffs for time worked during meal and rest periods, and failing to pay Plaintiffs for an extra hour at the regular rate of pay because Employer failed to provide compliant meal and rest periods. As such, Employer is liable for accrued wages due, and waiting time penalties owed, in accordance with Labor Code §§ 201, 202, and 203.

CONCLUSION

Pursuant to Labor Code Section 2699.3, the undersigned, on behalf of Plaintiff Chriss Sorensen and other aggrieved employees, is providing written notice of the alleged Labor Code violations. Please advise the undersigned if the agency intends to investigate the alleged violations. If not, Plaintiffs intend to pursue their claims under PAGA in a representative action lawsuit. Please also consider this letter as providing notice on behalf of other similarly aggrieved employees working for Employer, that were subject to the same Labor Code violations described above.

Should you have any questions with respect to the above, please do not hesitate to contact the undersigned.

Very truly yours,

BARTZ LAW GROUP, APC

/s/ Aaron A. Bartz
Aaron A. Bartz

EXHIBIT 3

Aaron A. Bartz (SBN 198722)
aaron@bartzlawgroup.com
BARTZ LAW GROUP, APC
5151 California Ave., Suite 100
Irvine, California 92617
Tel: (949) 504-4413
Fax: (949) 656-7760

Attorneys for Plaintiff CHRISS SORENSEN, on behalf of himself and
other aggrieved employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

CHRISS SORENSEN, on behalf of
himself and other aggrieved employees,

Plaintiffs,

vs.

P.F. AUTOMOTIVE, LLC, a
California limited liability company;
and DOES 1 through 100, inclusive,

Defendants.

CASE NO. 37-2023-00025169-CU-OE-CTL

**COMPLAINT FOR CIVIL PENALTIES
UNDER THE PRIVATE ATTORNEYS
GENERAL ACT ("PAGA") [California
Labor Code §§2698, et seq.]**

DEMAND FOR JURY TRIAL

Plaintiff CHRISS SORENSEN ("Sorensen") on behalf of himself and all other aggrieved
employees (hereinafter collectively "Plaintiffs"), and as private attorneys general, hereby assert
representative claims against Defendant P.F. AUTOMOTIVE, LLC, ("PF Automotive"), and
DOES 1 through 100 (hereinafter collectively "Defendants"), and hereby complain and allege as
follows:

I. INTRODUCTION

1. This lawsuit is directed at Defendants' California state law violations of wage and
hour laws -- it is a representative action seeking recovery of civil penalties under the Private
Attorneys General Act of 2004 ("PAGA"), California Labor Code ("Labor Code") §§2698, et
seq. PAGA permits "aggrieved employees" to bring a lawsuit as a representative action on

1 behalf of themselves and other aggrieved current and former employees to recover civil penalties
2 for Defendants' violations of the Labor Code, including, but not limited to Labor Code §§201,
3 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1198, 1198.5, 2699, and all applicable
4 Industrial Welfare Commission ("IWC") Orders.

5 2. This action is brought as a representative action on behalf of all current and
6 former aggrieved employees who were employed by Defendants in California and who work or
7 worked as non-exempt hourly employees during the applicable time period and who were subject
8 to Defendants' meal period policy, rest period policy, compensation policy, overtime policy,
9 final payment of wages policy, and related wage and hour policies and/or practices.

10 3. As set forth in detail below, Defendants consistently implemented, maintained
11 and enforced unlawful policies and practices regarding Plaintiffs in violation of California's
12 wage and hour laws, which led to Defendants' violations of Labor Code §§ 201-204, 226, 226.7,
13 510, 512, 1174, 1194, 1198, 2698, et seq. and IWC Wage Orders to Defendants': (1) failure to
14 pay all wages, including minimum wages, straight time wages, and overtime compensation; (2)
15 failure to provide meal periods; (3) failure to authorize and permit rest periods or provide
16 compensation in lieu thereof; (4) failure to timely pay all wages owed; (5) failure to properly
17 maintain and submit accurate itemized wage statements; and (6) waiting time penalties. Such
18 policies and practices, as further described herein, violate the Labor Code, and trigger civil
19 penalties under Labor Code §2699. Therefore, Plaintiffs, on behalf of themselves and all
20 aggrieved employees, bring this representative PAGA action pursuant to the provisions of the
21 Labor Code as referenced herein. Plaintiffs seek recovery of civil penalties, reasonable
22 attorney's fees and costs, and other relief as deemed proper.

23 4. The acts complained of herein occurred, occur and will occur, at least in part,
24 within the statute of limitations under the PAGA statute, or within the statute of limitations of
25 any other Complaint or other filing which has tolled the claims asserted herein, up to and through
26 the time of trial for this matter. Defendants have also agreed in writing to toll the claims alleged
27 by Plaintiffs in this matter from January 24, 2023 until the current date.
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1
2 **II. THE PARTIES**

3 5. Plaintiff Sorensen is, and was at all relevant times mentioned herein, an
4 individual residing within the State of California. Plaintiff worked for Defendants as a non-
5 exempt employee between 2021 and 2022

6 6. Defendant PF Automotive is and has been, at all relevant times herein, a
7 limited liability company and existing under the laws of the State of California, and doing
8 business within the County of San Diego, in the State of California.

9 7. Defendants DOES 1 through 100, inclusive, are sued herein under fictitious
10 names. Their true names and capacities are unknown to Plaintiffs. When their true names and
11 capacities are ascertained, Plaintiffs will amend their complaint by inserting their true names and
12 capacities herein. Plaintiffs are informed and believe, and based thereon allege that each of the
13 fictitiously named Defendants are responsible in some manner for the occurrences herein alleged
14 and that Plaintiffs' damages as herein alleged were proximately caused by those Defendants.

15 8. Defendants, and each of them, are now and/or at all times mentioned in this
16 Complaint were the agents, servants and/or employees of some or all other Defendants, and vice-
17 versa, and in doing the things alleged in this Complaint, Defendants are now and/or at all times
18 mentioned in this Complaint were acting within the course and scope of that agency, servitude
19 and/or employment.

20 9. Defendants, and each of them, are now and/or at all times mentioned in this
21 Complaint were members of and/or engaged in a joint venture, partnership and common
22 enterprise, and were acting within the course and scope of, and in pursuit of a joint venture,
23 partnership and common enterprise.

24 10. Each reference in this complaint to "Defendant," "Defendants," or a specifically
25 named Defendant refers also to all Defendants sued under fictitious names.

26 11. Plaintiffs are informed and believe, and thereon allege that at all relevant times
27 herein, Defendants maintained offices, employed persons, conducted business in, and/or engaged
28 in illegal employment practices and policies in the State of California, County of San Diego.

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III. JURISDICTION

12. The California Superior Court has jurisdiction in this matter due to Defendants' aforementioned violations of California statutory law and/or related common law principles.

13. The California Superior Court also has jurisdiction in this matter because both the relief sought herein exceeds the minimal jurisdictional limits of the Superior Court and will be established at trial, according to proof.

14. The California Superior Court also has jurisdiction in this matter because Defendants' corporate officers direct, control, and coordinate Defendants' activities from Defendants' offices located in the State of California.

15. The California Superior Court also has jurisdiction in this matter because during their employment with Defendants, Plaintiffs herein were all California citizens and Defendants have owned and operated offices within California. Further, there is no federal question at issue, as the issues herein are based solely on California statutes and law.

IV. VENUE

16. Venue in San Diego County is proper in this matter as Defendants' liabilities and obligations arose in San Diego County, including Defendants' statutory obligations to pay Plaintiffs wages for all hours worked, overtime wages, straight time wages, minimum wages, timely wages upon termination and/or resignation, provide legally compliant meal and rest periods, maintain and submit accurate wage statements, and other obligations as described herein.

V. COMMON FACTUAL ALLEGATIONS

17. Defendants own and operate car dealerships, including in the County of San Diego. This case arises out of Defendants' failure to comply with California's wage and hour laws.

18. Plaintiffs and the aggrieved employees who Plaintiffs seek to represent worked for Defendants as non-exempt employees in California, during the relevant time period.

19. During Plaintiffs' employment, Defendants have failed to pay Plaintiffs and other

1 aggrieved employees the proper amount of straight time and overtime wages. Defendants have
2 violated various sections of the Labor Code, including §§510 and 1194, by failing to provide
3 Plaintiffs all wages owed because, among other things, Defendants average wages over several
4 pay periods, and borrow from different pay periods to average compensation to satisfy the
5 minimum wage, in violation of *Peabody v. Time Warner Cable, Inc.*, 59 Cal.4th 662 (2014).
6 Defendants further fails to pay all overtime owed, by among other things, failing to pay Plaintiffs
7 at their regular rate of pay for overtime hours worked during a pay period.

8 20. Defendants also fail to provide Plaintiffs with meal and rest periods under
9 California law. Defendants failed to adopt, implement, and enforce a uniform meal period policy
10 that complied with California law. For example, Defendants required Plaintiffs to take meal
11 periods after they worked for more than five hours, and Defendants failed to provide Plaintiffs
12 with their full 30 minute duty-free meal period based on numerous factors, including but not
13 limited to the fact that the amount of work required of Plaintiffs by Defendants necessitated that
14 Plaintiffs take their meal periods late, return early from their meal periods, and/or interrupt their
15 meal periods. Moreover, as a matter of policy and/or practice, Defendants failed to pay Plaintiffs
16 one hour of pay at their regular rate of pay for each workday that a 30 minute duty-free meal
17 period was not provided. Defendants also failed to keep accurate records of meal breaks taken by
18 Plaintiffs in violation of Labor Code §1174 and the applicable IWC Wage Orders.

19 21. Defendants also failed to adopt, implement, and enforce a uniform rest period
20 policy that complied with California law. Defendants failed to authorize and permit Plaintiffs to
21 take duty free rest periods of 10 minutes for every four hours worked or major fraction thereof,
22 by requiring Plaintiffs to regularly work through their rest periods to complete their duties, and
23 failing and refusing to provide a rest period for any hours in excess of 10 per day. As a result of
24 Defendants' lack of any meal or rest break policy that complies with California law, Defendants
25 have violated Labor Code §§512 and 226.7 and the applicable IWC Wage Orders, among other
26 things.

27 22. Defendants also willfully failed to provide properly itemized wage statements to
28 Plaintiffs pursuant to Labor Code §226. Defendants, for example, fail to identify the correct

1 hours and rates of pay for hours worked for Defendants, including but not limited to violations of
2 Labor Code § 226(a)(9) by not setting forth “all applicable hourly rates in effect during the pay
3 period and the corresponding number of hours worked at each hourly rate.” Defendants also
4 violate Labor Code §§ 226(a)(1) and 226(a)(5) by failing to correctly state the total net and gross
5 wages earned by failing to itemize meal and rest period premium payments, among other things.
6 Defendants also violate Labor Code § 226(a)(4) by failing to itemize all deductions on the wage
7 statement, and by making improper deductions from Plaintiffs’ itemized wage statements. The
8 failure to provide accurate itemized wage statements violates Labor Code §§226, 2699, et seq.,
9 and IWC Wage Orders.

10 23. Defendants willfully failed and refused to timely pay all compensation due and
11 owing to Plaintiffs whose employment was terminated during the relevant time period, by failing
12 to pay all of Plaintiff’s compensation due upon termination by failing and refusing to pay
13 overtime and straight time wages, failing to pay Plaintiffs for time worked during meal and rest
14 periods, failing to pay Plaintiffs for an extra hour because Defendants failed to provide compliant
15 meal and rest periods and/or to pay for such meal and rest period premiums at the regular rate of
16 pay, and by Defendants’ other unlawful actions as described herein. As such, Defendants are
17 liable for accrued wages due, and waiting time penalties owed, in accordance with Labor Code
18 §§201, 202, and 203.

19 **VI. PRIVATE ATTORNEYS GENERAL ACT CLAIM**

20 24. On or about November 21, 2022 Plaintiffs provided written notice via certified
21 mail to the Labor and Workforce Development Agency (“LWDA”) and Defendants of the
22 specific provisions of the Labor Code alleged to have been violated, including the facts and
23 theories to support the alleged violations.

24 25. The LWDA failed to respond to Plaintiffs’ counsel’s correspondence dated
25 November 21, 2022 and failed to notify Plaintiffs’ counsel as to whether it would investigate the
26 allegations contained therein, within 65 calendar days of the postmark date of Plaintiff’s
27 correspondence as required under Labor Code §2699.3. Plaintiffs have fully complied with the
28 notice requirements set forth in Labor Code §2699.3 in order to commence a civil action against

1 an employer pursuant to Labor Code §2699.

2 26. Defendants' failure to pay Plaintiffs for all hours worked, minimum wages,
3 overtime compensation, failure to provide meal periods, failure to authorize and permit rest
4 periods, failure to pay all wages upon termination or resignation, and failure to provide accurate
5 itemized wage statements, will subject Defendants to civil penalties pursuant to, without
6 limitation, Labor Code §§ 210, 226.3, 256, 558, 1174.5, 1197.1, 1198, 2699 and the IWC Wage
7 Orders.

8 27. Plaintiffs are aggrieved employees as defined in Labor Code §§2699(a) and (c),
9 and related Labor Code provisions. Plaintiffs bring the causes of action below on behalf of
10 themselves, as private attorneys general, and in a representative capacity on behalf of other
11 aggrieved employees, affected by the labor law violations alleged herein.

12 **A. FAILURE TO PAY ALL WAGES AND OVERTIME COMPENSATION**

13 28. Labor Code §1194 states that any employee receiving less than the legal
14 minimum wage or the legal overtime compensation applicable to the employee is entitled to
15 recover the unpaid balance of the full amount of this minimum wage or overtime compensation,
16 including interest thereon, reasonable attorney's fees, and costs of suit.

17 29. Labor Code §1197 states that the minimum wage for employees fixed by the
18 commission is the minimum wage to be paid to employees, and the payment of a lesser wage
19 than the minimum so fixed is unlawful.

20 30. Labor Code §510(a) and IWC Wage Orders regulating payment of wages in the
21 state of California, provide that eight (8) hours of labor constitutes a day's work and any work in
22 excess of eight (8) hours in one (1) workday and any work in excess of forty (40) hours in any
23 one workweek shall be compensated at the rate of no less than one and one-half times the regular
24 rate of pay for each employee and any work in excess of twelve (12) hours in any one workday
25 shall be compensated at the rate of no less than twice the regular rate of pay for each employee.

26 31. At all relevant times, Defendants required Plaintiffs to perform work without
27 compensation in violation of the IWC Wage Orders and the Labor Code. Specifically, Plaintiffs
28 were not paid for all of their hours worked, in that Defendants failed to pay non-exempt hourly

workers such as Plaintiffs for all of their hours worked by, among other things, averaging their compensation across pay periods, and failing to pay the regular rate of pay for overtime by not accounting for all commissions and other incentive compensation into their pay. Defendants are therefore in violation of Labor Code §§510 and 1194, and the IWC Wage Orders.

32. Pursuant to Labor Code §218.6 and Civil Code §3287, Plaintiffs seek recovery of pre-judgment interest on all amounts recovered herein. Plaintiffs further request that this Court award reasonable attorneys' fees and costs incurred in this action pursuant to Labor Code §§1194(a) and/or 2699.

33. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved employees, entitled to recover civil penalties pursuant to the Labor Code, including but not limited to Labor Code §§558, 1197.1, and 2699(f). Plaintiffs seek only to recover the civil penalties provided for in §§558(a) and 1197.1 for the violations alleged herein, and do not seek to recover underpaid wages.

B. MEAL PERIODS (Labor Code §§226.7 and 512)

34. Labor Code §512 and applicable IWC Wage Orders state that an employer may not employ an employee for a work period of more than five (5) hours per day without providing the employee a meal period of not less than 30 minutes, and an employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes. The applicable Wage Orders state that unless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. Labor Code §226.7(a) further states that no employer shall require any employee to work during any meal or rest period mandated by an applicable order of the IWC. Moreover, an employer is prohibited from exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks.

35. Plaintiffs were not provided with nor given the opportunity to take the requisite meal periods before the end of the first 5 hours of work, nor were they provided with or given the opportunity to take a proper second meal period during the days when they worked more than 10

1 hours in a day. Plaintiffs are entitled to an additional one hour of pay at their regular rate of pay
2 for each day in which they were not provided a proper meal period under the above-described
3 authorities.

4 36. Pursuant to Labor Code §226.7(b) and the IWC Wage Orders, if an employer fails
5 to provide an employee a meal period in accordance with the applicable provisions of IWC
6 Wage Orders, the employer shall pay the employee one (1) hour of pay at the employee's regular
7 rate of compensation for each workday that the meal period is not provided. As such, Plaintiffs
8 are entitled to an additional one hour's pay for each day in which Plaintiffs were not provided a
9 proper meal break under the above-described authorities.

10 37. Labor Code §558 and the IWC Wage Orders state, in pertinent part, that any
11 employer or other person acting on behalf of an employer who violates, or causes to be violated,
12 a section of any provision regulating hours and days of work in any order of the IWC shall be
13 subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each
14 underpaid employee for each pay period for which the employee was underpaid in addition to an
15 amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred
16 dollars (\$100) for each underpaid employee for each pay period for which the employee was
17 underpaid in addition to an amount sufficient to recover underpaid wages. Plaintiffs seek only to
18 recover the civil penalty provided for in §558(a) for the violations alleged herein, and do not
19 seek to recover underpaid wages.

20 38. Plaintiffs request that the Court award interest on all unpaid wages at the legal
21 rate specified by Civil Code §3289(b), accruing from the date the wages were due and payable
22 pursuant to Labor Code §218.6.

23 39. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
24 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
25 limited to Labor Code §§558 and 2699(f).

26 **C. REST PERIODS (Labor Code §226.7)**

27 40. The IWC Wage Orders provide that every employer shall authorize and permit all
28 employees to take rest periods. The authorized rest period time shall be based on the total hours

1 worked daily at the rate of ten (10) minutes net rest time per four hours of work, or major
2 fraction thereof. An employer must provide employees with 10 minutes rest for shifts from three
3 and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours,
4 30 minutes for shifts of more than 10 hours up to 14 hours, and so on. Furthermore, Labor Code
5 §1198 provides, in pertinent part: . . . The employment of any employee for longer hours than
6 those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

7 41. Plaintiffs were not permitted to take proper rest periods and/or were required to
8 work during any “rest periods” in contravention of California law. Further, Plaintiffs and other
9 aggrieved employees were required to waive the taking of their rest breaks because of the
10 business of Defendants’ operations, and/or were coerced not to take legally mandated rest
11 periods by Defendants’ criticizing, disciplining and/or reprimanding Plaintiffs and other
12 aggrieved employees who attempted to take legally required rest periods; failed to schedule rest
13 periods; and pressured Plaintiffs to remain available during the workday. Defendants’ pay plans
14 also fail to separately compensate Plaintiffs for their rest periods in violation of California law.

15 42. Defendants further failed to pay Plaintiffs a missed rest period premium payment
16 for each rest period that was not authorized or permitted, and/or failed to pay such rest period
17 premium at Plaintiffs’ regular rate of pay.

18 43. Pursuant to Labor Code §226.7(b) and IWC Wage Orders, if an employer fails to
19 provide an employee a rest period in accordance with the applicable provisions of the IWC Wage
20 Orders, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate
21 of compensation for each workday that the rest period is not provided.

22 44. As such, Plaintiffs are entitled to an additional one hour of pay at their regular rate
23 of pay for each day in which they were not provided a proper rest period under the above-
24 described authorities.

25 45. Plaintiffs request that the Court award interest on all unpaid wages at the legal
26 rate specified by Civil Code §3289(b), accruing from the date the wages were due and payable
27 pursuant to Labor Code §218.6.

28 46. Labor Code §558 and IWC Wage Orders state, in pertinent part, that any

1 employer or other person acting on behalf of an employer who violates, or causes to be violated,
2 a section of any provision regulating hours and days of work in any order of the IWC shall be
3 subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each
4 underpaid employee for each pay period for which the employee was underpaid in addition to an
5 amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred
6 dollars (\$100) for each underpaid employee for each pay period for which the employee was
7 underpaid in addition to an amount sufficient to recover underpaid wages. Pursuant to Labor
8 Code §§558, 1198 and 2699, and/or IWC Wage Orders, Plaintiffs are entitled to civil penalties
9 for each pay period in which Defendants underpaid their wages as set forth herein. Plaintiffs
10 seek only to recover the civil penalty provided for in §558(a) for the violations alleged herein,
11 and do not seek to recover underpaid wages.

12 47. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
13 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
14 limited to Labor Code §§558, 2699(f), and applicable IWC Wage Orders.

15 **D. FAILURE TO PROPERLY MAINTAIN AND SUBMIT ACCURATE**
16 **ITEMIZED WAGE STATEMENTS (Labor Code §226)**

17 48. Labor Code §§226, 1174, and/or the applicable IWC Wage Orders require
18 employers to maintain and provide employees accurate time and employment records, as well as
19 itemized wage statements showing, among other things, gross wages earned, the total hours
20 worked by the employee, all deductions, net wages earned, all applicable hourly rates in effect
21 during the pay period and the corresponding number of hours worked at each hourly rate by the
22 employee. Furthermore, the applicable Wage Orders and Labor Code §226 requires every
23 employer to keep accurate information with respect to each employee, including: (1) the
24 employee's full name, home address, occupation, social security number, employee's date of
25 birth, and time records showing when the employee begins and ends each work period; (2) an
26 employee's meal periods; (3) total wages paid each payroll period; and (4) total hours worked
27 during the payroll period and applicable rates of pay.

28 49. Defendants failed to properly maintain itemized wage statements in that, among

1 other things, the wage statements provided do not set forth the accurate number of hours worked,
2 correct rates of pay, all overtime compensation, meal periods, premium pay, and other related
3 information required by California law. In addition, in implementing their illegal policies and
4 practices regarding Plaintiffs, Defendants failed to record wages for rest period and meal period
5 premiums and other wages that should have been paid to Plaintiffs as required by California law.
6 Defendants have failed to record all items delineated in Labor Code §226 and the applicable
7 IWC Wage Orders, and required under Labor Code §1174. Plaintiffs are informed and believe
8 that these failures were knowing and intentional by Defendants as Defendants sought to deprive
9 Plaintiffs of their legitimate right to unpaid wages, and otherwise deprive them of their proper
10 compensation. As a result of Defendants' intentional and knowing failure to maintain adequate
11 itemized statements, Plaintiffs could not ascertain the actual amount of compensation they
12 earned and/or were entitled to, and thereby are presumed to have suffered cognizable injury in
13 the form of the accrual of unpaid wages, overtime, and interest pursuant to Labor Code
14 §226(e)(2).

15 50. Pursuant to Labor Code §226(e), an employee who suffers injury as a
16 result of an employer's knowing and intentional failure to comply with subdivision (a), is
17 entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period
18 in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a
19 subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and
20 is entitled to an award of costs and reasonable attorney's fees.

21 51. Pursuant to Labor Code §226.3, "[a]ny employer who violates subdivision (a) of
22 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250)
23 per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee
24 for each violation in a subsequent citation. . ."

25 52. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
26 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
27 limited to Labor Code §§226.3, 1174.5 and 2699(f), as well as reasonable attorneys' fees and
28 costs.

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2 **E. WAITING TIME PENALTIES (Labor Code §§201-203)**

3 53. Labor Code §201 states that an employer is required to provide an employee who
4 is terminated all unpaid wages immediately upon termination.

5 54. Plaintiffs are informed and believe and thereon allege that Defendants failed to
6 pay Plaintiffs all wages due and owing immediately upon termination, thereby violating Labor
7 Code §201.

8 55. Labor Code §202 states, in pertinent part, that an employer is required to provide
9 an employee who quits his or her employment all wages due and owing not later than 72 hours
10 thereafter.

11 56. Plaintiffs are informed and believe and thereon allege that Defendants failed to
12 pay Plaintiffs all wages due and owing upon voluntary resignation, thereby violating Labor Code
13 §202.

14 57. Labor Code §203 states that if an employer willfully fails to pay an employee
15 wages according to Labor Code §§201 and 202, these wages shall continue as a penalty for up to
16 a maximum of 30 days.

17 58. Defendants willfully withheld paying Plaintiffs wages thereby violating Labor
18 Code §203, as further set forth herein. As such, Defendants are required to pay Plaintiffs a 30-
19 day wage penalty in addition to all unpaid wages as described herein.

20 59. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
21 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
22 limited to Labor Code §§256 and 2699(f).

23 **F. ALL CLAIMS**

24 60. Pursuant to Labor Code §2699, Plaintiffs seek to recover civil penalties, as
25 otherwise provided by statute and wage order, for which Defendants are liable as a result of their
26 violations of the Labor Code and applicable Wage Order(s) in an amount to be proven at trial.
27 These penalties include, but are not limited to, those provided by Labor Code §§210, 225.5,
28 226.3, 256, 558, 1174.5, 1197.1, and 2699. Plaintiffs further seek an award of reasonable

attorneys' fees and costs pursuant to the Labor Code §2699(g)(1) and any other applicable statute.

WHEREFORE, Plaintiffs pray:

- a. For civil penalties pursuant to Labor Code §2699(f), in addition to and entirely independent and apart from other penalties in the Labor Code and for Labor Code violations without a specific civil penalty, in the amount of \$100 for each aggrieved employee per pay period for each violation, and \$200 for each aggrieved employee per pay period for each subsequent violation;
- b. For civil penalties pursuant to Labor Code §558, as follows:
 - i. For any initial violation, fifty dollars (\$50) for each aggrieved underpaid employee for each pay period for which the employee was underpaid;
 - ii. For each subsequent violation, one hundred dollars (\$100) for each aggrieved underpaid employee for each pay period for which the employee was underpaid;
- c. For civil penalties pursuant to Labor Code §1197.1, as follows:
 - i. For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid;
 - ii. For each subsequent violation for the same offense, two hundred fifty dollars (\$250) for each aggrieved underpaid employee for each pay period for which the employee was underpaid regardless of whether the initial violation is intentionally committed;
- d. For civil penalties per Labor Code §226.3 in the amount of \$250 for each aggrieved employee per pay period for each violation, and \$1,000 for each aggrieved employee per pay period for each subsequent violation;
- e. For civil penalties per Labor Code §1174.5 in the amount of \$500 for each willful failure to maintain records as required by Labor Code §1174(c);
- f. For civil penalties per Labor Code §256 in the amount of one day of pay, at the

1 same rate, for each day that an aggrieved employee was paid late, at the time of
2 termination, until payment was/is made, up to a maximum of thirty (30) days;

3 g. For civil penalties per Labor Code §210 in the amount of \$100 for each failure to
4 pay each employee, and for each subsequent violation, or any willful or
5 intentional violation, \$200 for each failure to pay each employee;

6 h. For reasonable attorneys' fees and costs incurred; and

7 i. For such relief as this Court may deem just and proper.
8

9 Dated: June 6, 2023

BARTZ LAW GROUP APC

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11 By: /s/ Aaron A. Bartz
12 AARON A. BARTZ
13 Attorneys for Plaintiff, CHRISS SORENSEN on
14 behalf of himself and other aggrieved employees
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DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial on all issues triable to a jury.

Dated: June 6, 2023

BARTZ LAW GROUP APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
Attorneys for Plaintiff CHRISS SORENSEN on
behalf of himself and other aggrieved employees

EXHIBIT 4

Activities Export

01/14/2024

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Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
01/12/2024	 	Revise and final all papers in support of settlement approval. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	5.70h	\$850.00	-	\$4,845.00
01/11/2024	 	Client Conference call re : Case Status ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	0.25h	\$295.00	-	\$73.75
01/11/2024	 	Review and revise motion and declaration. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
12/30/2023	 	Prepare Motion for settlement approval and supporting declarations. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	6.00h	\$850.00	-	\$5,100.00
12/29/2023	 	Conference call with client regarding settlement; Review and consider settlement, and review and respond to emails from OPC. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00h	\$850.00	-	\$850.00
12/18/2023	 	Review and consider revisions to settlement agreement, and conference call with OPC regarding same; Revise PAGA settlement, and email OPC. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.50h	\$850.00	-	\$1,275.00
12/12/2023	 	Review and revise settlement agreements, and conference call with OPC regarding same. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.50h	\$850.00	-	\$1,275.00
					51.98h		\$0.00 0.00h	\$39,255.00 51.98h

Activities Export

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Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
12/11/2023		Review and consider settlement documents, and revise same.  Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
11/20/2023		Draft, Finalize, file ,serve , and speak with Attorney of Notice of Continued CMC  Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00h	\$295.00	-	\$295.00
11/17/2023		Review and consider settlement offer, and conference with client regarding same; Call with OPC regarding settlement; Prepare for and attend CMC, and prepare Notice of Ruling.  Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.40h	\$850.00	-	\$2,040.00
11/01/2023		Draft CMS, Jury fees, file, and serve CMS  Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00h	\$295.00	-	\$295.00
10/18/2023		Review and consider settlement offer, and respond to same; Review of Joint Stipulation, and respond to OC regarding same.  Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	0.50h	\$850.00	-	\$425.00
10/13/2023		Review and consider settlement strategies, and conference call with OPC regarding potential settlement.  Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00h	\$850.00	-	\$850.00
10/02/2023		Review settlement strategies, and call with OPC regarding	00034-Sorensen Sorensen v P.F.	Aaron Bartz	0.60h	\$850.00	-	\$510.00
					51.98h		\$0.00 0.00h	\$39,255.00 51.98h

Activities Export

01/14/2024

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Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
		settlement; Prepare email to OPC regarding same. ● Unbilled	Automotive, LLC					
09/22/2023	🕒	Review case for further handling, and conference call with OPC regarding settlement. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	0.50h	\$850.00	-	\$425.00
09/07/2023	🕒	Review case for further handling, and call with OPC regarding potential settlement, and prepare email regarding same. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	0.40h	\$850.00	-	\$340.00
07/31/2023	🕒	Review case for further handling, and conference call with client regarding status. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	0.50h	\$850.00	-	\$425.00
06/08/2023	🕒	Conference call with client regarding status of case. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	0.50h	\$850.00	-	\$425.00
06/06/2023	🕒	Review and respond to emails regarding case; Review and revise Complaint, and coordinate filing of pleadings. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.20h	\$850.00	-	\$1,020.00
06/06/2023	🕒	Finalize PAGA complaint, summons, and Civil cover Sheet, File by way of one legal ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00h	\$295.00	-	\$295.00
					51.98h		\$0.00 0.00h	\$39,255.00 51.98h

Activities Export

01/14/2024

1:29 PM

Date ▾	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
06/05/2023	 ● Unbilled	Review of case documents, and research regarding claims; Prepare PAGA Complaint.	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.50h	\$850.00	-	\$2,125.00
05/18/2023	 ● Unbilled	Review and consider mediation data, and prepare demand; Review and respond to emails from OPC.	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.50h	\$850.00	-	\$2,125.00
05/17/2023	 ● Unbilled	Review and consider voluminous pre-mediation data, and personnel records; Prepare damages analysis.	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.50h	\$850.00	-	\$2,125.00
05/16/2023	 ● Unbilled	Review and consider mediation data.	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
05/15/2023	 ● Unbilled	Review and consider mediation data, and analyze same.	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
04/25/2023	 ● Unbilled	client called (i answered)	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	0.25h	\$295.00	-	\$73.75
03/29/2023	 ● Unbilled	Review and consider case file, and conference call with OPC regarding Mediation.	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00h	\$850.00	-	\$850.00
03/07/2023	 ● Unbilled	call with client(Sorensen)- Phone conference with Client re	00034-Sorensen Sorensen v P.F.	Nestor Mejia	0.25h	\$295.00	-	\$73.75
					51.98h		\$0.00 0.00h	\$39,255.00 51.98h

Activities Export

01/14/2024

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Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
		documents. The Client will be sending over today. ● Unbilled	Automotive, LLC					
01/26/2023	🕒	Document: Sorensen Tolling Agreement - Fully Executed(46190573.1).pdf ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	0.25h	\$295.00	-	\$73.75
01/18/2023	🕒	Review and consider case documents in preparation for conference call with OPC, and conference call with same. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00h	\$850.00	-	\$850.00
01/17/2023	🕒	Review and consider client documents, and conference call with client regarding legal strategies. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00h	\$850.00	-	\$850.00
12/23/2022	🕒	Call with client ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	0.59h	\$250.00	-	\$147.50
11/22/2022	🕒	Finalize PAGA letter and prepare for service. Went to Post office and was a long line ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.50h	\$250.00	-	\$375.00
11/19/2022	🕒	Prepare PAGA letter. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	2.00h	\$750.00	-	\$1,500.00
11/08/2022	🕒	Research re Employer on Secretary of state.	00034-Sorensen Sorensen v P.F.	Nestor Mejia	1.00h	\$250.00	-	\$250.00

Activities Export

01/14/2024
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Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
		Unbilled	Automotive, LLC					
10/03/2022		Contact with PC Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	0.09h	\$250.00	-	\$22.50
09/30/2022		Intake with PC Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00h	\$250.00	-	\$250.00
					51.98h		\$0.00 0.00h	\$39,255.00 51.98h

EXHIBIT 5

Activities Export

01/14/2024

1:27 PM

Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
12/30/2023	\$	Motion and service fees, courtesy copies, and related expenses re approval of settlement (anticipated). ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00	\$450.00	-	\$450.00
11/20/2023	\$	One Legal Filing re Notice of Continued Hearing Confirmation #29437872 ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00	\$12.95	-	\$12.95
11/01/2023	\$	One Legal filing of CMS Confirmation #29342070 ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00	\$12.95	-	\$12.95
09/05/2023	\$	Case Management Fee (Judicate West) ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00	\$375.00	-	\$375.00
07/17/2023	\$	One Legal filing - NAR -Confirmation #28748727 ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00	\$12.95	-	\$12.95
06/15/2023	\$	One Legal Revision Filing Confirmation #28589382 ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00	\$12.95	-	\$12.95
06/06/2023	\$	One Legal Complaint Filing (subject to change) Confirmation #28540450 ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00	\$447.95	-	\$447.95
11/21/2022	\$	Served PAGA letter via certified mail ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Nestor Mejia	1.00	\$7.25	-	\$7.25
							\$0.00 0.00h	\$1,407.00 0.00h

Activities Export

01/14/2024
1:27 PM

Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
11/21/2022	\$	PAGA filing fee. ● Unbilled	00034-Sorensen Sorensen v P.F. Automotive, LLC	Aaron Bartz	1.00	\$75.00	-	\$75.00
							\$0.00 0.00h	\$1,407.00 0.00h

EXHIBIT 6

XPAND

Case Name:

TBD185 Member PAGA Settlement

Date:

December 12, 2023

Client Name:

Aaron A. Bartz

Client Email:

aaron@bartzlawgroup.com

Xpand Contact:

Jonathan Paul

Xpand Contact Email Address:

jonathan@xpandlegal.com

Xpand Contact Phone Number:

310.948.7117

**Cost Estimate for Legal Administration Services*

**Pricing Good for 90 Days*

**Assumes Scope Within - Additional Services Priced Accordingly*

Key Assumptions Used for Pricing

Class Size	185
Undeliverable Mail (estimated %)	10%
Forwarded Mail (estimated %)	5%
Toll Free Telephone Support	Yes
Website	No
Spanish Translation	Yes
National Change of Address (NCOA)	Yes
Wage Tax Reporting	No
Number of States for Tax Reporting	N/A
Number of Payment Distributions	1
Tax Reporting Years	1
Remaining Funds After Distribution	Cy Pres

Case Setup

Service	Type	Cost Per Piece	Volume	Total
Project Manager - Case Setup, Document Review & Timeline	Hourly	\$125.00	2	\$250.00
Data Analyst - Data Analysis, Formatting, Uploading to Database*	Hourly	\$125.00	1	\$125.00
NCOA (Includes CASS & LACS)	Flat Fee	\$250.00	1	\$250.00
Spanish Translation	Flat Fee	\$0.00	0	\$0.00
Toll Free Telephone Support	Flat Fee	\$248.30	1	\$248.30
Static Website	Flat Fee	\$250.00	1	\$250.00
Total				\$1,123.30

**Xpand assumes mailing data will be provided in Microsoft Excel or other usable format and will not require substantial manipulation. Additional formatting and manipulation will be billed at \$125/hour.*

Project Management

Service	Type	Cost Per Piece	Volume	Total
Project Manager - Client Inquiries, General Oversight & Management	Hourly	\$125.00	3	\$375.00
Status Reporting (Ongoing & Final)	Hourly	\$150.00	2	\$300.00
Executive Oversight	Hourly	\$200.00	1	Waived
Total				\$675.00

Distribution

Service	Type	Cost Per Piece	Volume	Total
Project Manager - Setup & Preparation	Hourly	\$125.00	1	\$125.00
Data Analyst - Payment File Production & Quality Review	Hourly	\$125.00	1	\$125.00
Print & Mail Payments	Per Piece	\$2.00	185	\$370.00
USPS First Class Mail - 1oz	Per Piece	\$0.63	185	\$116.55
Undeliverable Payment Processing	Per Piece	\$15.00	19	\$277.50
Remail Payments (Undeliverable & Forwards)	Per Piece	\$7.00	24	\$168.35
Tax ID Setup & Shutdown	Flat Fee	\$150.00	1	\$150.00
Qualified Settlement Fund (QSF) Creation & Closure	Flat Fee	\$719.30	1	\$719.30
QSF Monthly Fees & Account Reconciliation	Per Piece	\$250.00	3	\$750.00
Process Remaining Funds to Cy Pres	Flat Fee	\$150.00	1	\$150.00
Total				\$2,951.70

Total Case Cost - Flat Fee:

\$4,750.00

All services to be provided by Xpand Legal (hereinafter, "Xpand") to Client shall be subject to the following terms and conditions:

- **Services:** Subject to the terms hereof, Xpand agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are referenced. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not include any services not referenced in the request for proposal. These services do not constitute legal services or advice. Xpand is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.
- **Charges for Services:** Charges to the Client for services shall be on a time and materials basis at our prevailing rates and are subject to change. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to Xpand. Actual fees charged by Xpand to Client may be greater or less than the estimate, and Client shall be responsible for the payment of all charges and expenses in accordance with Section 5 below. Charges incurred related to corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. Xpand may derive financial benefits from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.
- **Payment of Charges:** Xpand agrees to defer payment of fees for up to 48 months or until settlement is reached, whichever is earlier. Xpand invoices are due upon receipt unless otherwise negotiated and agreed to with the Client. The entire remaining balance is due and payable at the time the Account is funded by. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement or case status, do not affect the Client's liability to Xpand for payment of services. Services are not provided on a contingency fee basis.
- **Indemnification:** Client will indemnify and hold Xpand (and the officers, employees, affiliates and agents harmless against any Losses incurred by Xpand, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any aspect of the project by Xpand in accordance with Client's instructions.
- **Confidentiality:** Xpand maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to Xpand by Client. Should Xpand ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, Xpand will notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse Xpand for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If Xpand is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, Xpand will not be liable for breach of said obligation.
- **Data Rights:** Xpand does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by Xpand in the ordinary course of business in the performance of this Agreement.
- **Document Retention:** Unless directed otherwise in writing by Client, Xpand will maintain documents and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.
- **Limitation of damages:** Xpand is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of Xpand to the Client shall not exceed the total amount billed to the Client for the services that give rise to any loss.
- **Termination:** The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to Xpand. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. Xpand may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.
- **Notice:** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of Xpand or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.
- **Force Majeure:** To the extent performance by Xpand of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond Xpand's reasonable control, then such performance shall be excused and this Agreement, at Xpand's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
- **Waiver of Rights:** No failure or delay on the part of either party in exercising any right will operate as a waiver of, or impair, any right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in writing.
- **Jurisdiction:** The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.
- **Entire Agreement:** These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.